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| | | FOR OHF USE | | | | | |
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2002
STATE OF ILLINOIS
DEPARTMENT OF PUBLIC AID
FINANCIAL AND STATISTICAL REPORT FOR
LONG-TERM CARE FACILITIES
(FISCAL YEAR 2002)

IMPORTANT NOTICE
 THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION
 THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY
 PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE
 OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE
 ANY INFORMATION ON OR BEFORE THE DUE DATE WILL
 RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM
 HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|---|---|---------------------------------------|---|-------------------------------------|--------------------------------|--------------------------------|--------------------------------------|---------------------------------|--|--------------------------------------|--------------------------------------|--|---|--|--|--|--|--|--------------------------------|--|--|--------------------------------------|--|--|--|
| I. IDPH Facility ID Number: <u>0036095</u> | | II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER | | | | | | | | | | | | | | | | | | | | | | | | | |
| Facility Name: <u>Lexington of Schaumburg</u> | | I have examined the contents of the accompanying report to the State of Illinois, for the period from <u>01/01/02</u> to <u>12/31/02</u> and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge. | | | | | | | | | | | | | | | | | | | | | | | | | |
| Address: <u>635 S. Roselle Rd.</u> <u>Schaumburg</u> <u>60193</u> Number City Zip Code | | Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment. | | | | | | | | | | | | | | | | | | | | | | | | | |
| County: <u>Cook</u> | | (Signed) _____ (Date) _____ | | | | | | | | | | | | | | | | | | | | | | | | | |
| Telephone Number: <u>(847) 351-5500</u> Fax # <u>(847) 352-8592</u> | | (Type or Print Name) _____ | | | | | | | | | | | | | | | | | | | | | | | | | |
| IDPA ID Number: <u>363678108001</u> | | (Title) _____ | | | | | | | | | | | | | | | | | | | | | | | | | |
| Date of Initial License for Current Owners: <u>03/03/90</u> | | (Signed) <u>SEE ACCOUNTANTS' COMPILATION REPORT</u> (Date) _____ | | | | | | | | | | | | | | | | | | | | | | | | | |
| Type of Ownership: <table border="0"> <tr> <td><input type="checkbox"/> VOLUNTARY, NON-PROFIT</td> <td><input checked="" type="checkbox"/> PROPRIETARY</td> <td><input type="checkbox"/> GOVERNMENTAL</td> </tr> <tr> <td><input type="checkbox"/> Charitable Corp.</td> <td><input type="checkbox"/> Individual</td> <td><input type="checkbox"/> State</td> </tr> <tr> <td><input type="checkbox"/> Trust</td> <td><input type="checkbox"/> Partnership</td> <td><input type="checkbox"/> County</td> </tr> <tr> <td></td> <td><input type="checkbox"/> Corporation</td> <td><input type="checkbox"/> Other _____</td> </tr> <tr> <td></td> <td><input checked="" type="checkbox"/> "Sub-S" Corp.</td> <td></td> </tr> <tr> <td></td> <td><input type="checkbox"/> Limited Liability Co.</td> <td></td> </tr> <tr> <td></td> <td><input type="checkbox"/> Trust</td> <td></td> </tr> <tr> <td></td> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table> | | <input type="checkbox"/> VOLUNTARY, NON-PROFIT | <input checked="" type="checkbox"/> PROPRIETARY | <input type="checkbox"/> GOVERNMENTAL | <input type="checkbox"/> Charitable Corp. | <input type="checkbox"/> Individual | <input type="checkbox"/> State | <input type="checkbox"/> Trust | <input type="checkbox"/> Partnership | <input type="checkbox"/> County | | <input type="checkbox"/> Corporation | <input type="checkbox"/> Other _____ | | <input checked="" type="checkbox"/> "Sub-S" Corp. | | | <input type="checkbox"/> Limited Liability Co. | | | <input type="checkbox"/> Trust | | | <input type="checkbox"/> Other _____ | | Paid Preparer (Print Name and Title) _____ (Firm Name & Address) <u>Altschuler, Melvoin and Glasser, LLP</u> <u>One South Wacker Drive, Suite 800, Chicago, IL 60606</u> (Telephone) <u>(312) 634-3400</u> Fax # <u>(312) 634-5518</u> | |
| <input type="checkbox"/> VOLUNTARY, NON-PROFIT | <input checked="" type="checkbox"/> PROPRIETARY | <input type="checkbox"/> GOVERNMENTAL | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Charitable Corp. | <input type="checkbox"/> Individual | <input type="checkbox"/> State | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Trust | <input type="checkbox"/> Partnership | <input type="checkbox"/> County | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <input type="checkbox"/> Corporation | <input type="checkbox"/> Other _____ | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <input checked="" type="checkbox"/> "Sub-S" Corp. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <input type="checkbox"/> Limited Liability Co. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <input type="checkbox"/> Trust | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <input type="checkbox"/> Other _____ | | | | | | | | | | | | | | | | | | | | | | | | | | |
| IRS Exemption Code _____ | | MAIL TO: OFFICE OF HEALTH FINANCE ILLINOIS DEPARTMENT OF PUBLIC AID 201 S. Grand Avenue East Springfield, IL 62763-0001 Phone # (217) 782-1630 | | | | | | | | | | | | | | | | | | | | | | | | | |
| In the event there are further questions about this report, please contact: Name: <u>Charles J. Fischer</u> Telephone Number: <u>(312) 634-3400</u> Please send copies of desk review and audit adjustments to address on this page | | SEE ACCOUNTANTS' COMPILATION REPORT | | | | | | | | | | | | | | | | | | | | | | | | | |

Facility Name & ID Number Lexington of Schaumburg# 0036095 Report Period Beginning: 01/01/02 Ending: 12/31/02

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days,
(must agree with license). Date of change in licensed bedsN/A

| | 1 | 2 | 3 | 4 | |
|---|--|-----------------------------|---------------------------------|--|---|
| | Beds at Beginning of Report Period | Licensure Level of Care | Beds at End of Report Period | Licensed Bed Days During Report Period | |
| 1 | <u>224</u> | Skilled (SNF) | <u>224</u> | <u>81,760</u> | 1 |
| 2 | | Skilled Pediatric (SNF/PED) | | | 2 |
| 3 | | Intermediate (ICF) | | | 3 |
| 4 | | Intermediate/DD | | | 4 |
| 5 | | Sheltered Care (SC) | | | 5 |
| 6 | | ICF/DD 16 or Less | | | 6 |
| 7 | <u>224</u> | TOTALS | <u>224</u> | <u>81,760</u> | 7 |

B. Census-For the entire report period.

| | 1 | 2 | 3 | 4 | 5 | |
|----|---------------|---|--------------|---------------|---------------|----|
| | Level of Care | Patient Days by Level of Care and Primary Source of Payment | | | | |
| | | Public Aid Recipient | Private Pay | Other | Total | |
| 8 | SNF | <u>45,594</u> | <u>4,740</u> | <u>10,133</u> | <u>60,467</u> | 8 |
| 9 | SNF/PED | | | | | 9 |
| 10 | ICF | <u>8,357</u> | <u>1,817</u> | <u>2,270</u> | <u>12,444</u> | 10 |
| 11 | ICF/DD | | | | | 11 |
| 12 | SC | | | | | 12 |
| 13 | DD 16 OR LESS | | | | | 13 |
| 14 | TOTALS | <u>53,951</u> | <u>6,557</u> | <u>12,403</u> | <u>72,911</u> | 14 |

C. Percent Occupancy. (Column 5, line 14 divided by total licensed
bed days on line 7, column 4.) 89.18%

D. How many bed-hold days during this year were paid by Public Aid?

91 (Do not include bed-hold days in Section B.)E. List all services provided by your facility for non-patients.
(E.g., day care, "meals on wheels", outpatient therapy)None

F. Does the facility maintain a daily midnight census?

YesG. Do pages 3 & 4 include expenses for services or
investments not directly related to patient care?YES ☒NO ☐Non-allowable costs have been
eliminated in Schedule V, Column 7.

H. Does the BALANCE SHEET (page 17) reflect any non-care assets?

YES ☐NO ☒

I. On what date did you start providing long term care at this location?

Date started 4/1/90

J. Was the facility purchased or leased after January 1, 1978?

YES ☐Date New ConstructionNO ☒

K. Was the facility certified for Medicare during the reporting year?

YES ☒NO ☐If YES, enter number
of beds certified 55 and days of care provided 6,121Medicare Intermediary AdminaStar Federal

IV. ACCOUNTING BASIS

ACCRUAL ☒

MODIFIED

CASH* ☐CASH* ☐

Is your fiscal year identical to your tax year?

YES ☒NO ☐Tax Year: 12/31/02 Fiscal Year: 12/31/02

* All facilities other than governmental must report on the accrual basis.

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Page 3

Facility Name & ID Number Lexington of Schaumburg # 0036095 Report Period Beginning: 01/01/02 Ending: 12/31/02

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

| | Operating Expenses | Costs Per General Ledger | | | | Reclass-ification 5 | Reclassified Total 6 | Adjust-ments 7** | Adjusted Total 8 | FOR OHF USE ONLY | |
|-----|--|--------------------------|---------------|------------|------------|------------------------|----------------------------|---------------------|------------------------|------------------|-----|
| | | Salary/Wage 1 | Supplies 2 | Other 3 | Total 4 | | | | | 9 | 10 |
| | A. General Services | | | | | | | | | | |
| 1 | Dietary | 306,778 | 37,639 | 13,114 | 357,531 | | 357,531 | | 357,531 | | 1 |
| 2 | Food Purchase | | 285,355 | | 285,355 | | 285,355 | (12,253) | 273,102 | | 2 |
| 3 | Housekeeping | 284,646 | 42,304 | | 326,950 | | 326,950 | 771 | 327,721 | | 3 |
| 4 | Laundry | 57,665 | 25,677 | | 83,342 | | 83,342 | (2,794) | 80,548 | | 4 |
| 5 | Heat and Other Utilities | | | 195,604 | 195,604 | | 195,604 | 4,117 | 199,721 | | 5 |
| 6 | Maintenance | 79,403 | | 116,854 | 196,257 | | 196,257 | 1,747 | 198,004 | | 6 |
| 7 | Other (specify):* | | | | | | | | | | 7 |
| 8 | TOTAL General Services | 728,492 | 390,975 | 325,572 | 1,445,039 | | 1,445,039 | (8,412) | 1,436,627 | | 8 |
| | B. Health Care and Programs | | | | | | | | | | |
| 9 | Medical Director | | | 24,000 | 24,000 | | 24,000 | | 24,000 | | 9 |
| 10 | Nursing and Medical Records | 3,511,501 | 264,223 | 28,807 | 3,804,531 | | 3,804,531 | | 3,804,531 | | 10 |
| 10a | Therapy | | | 645,128 | 645,128 | | 645,128 | | 645,128 | | 10a |
| 11 | Activities | 196,442 | 19,193 | 3,384 | 219,019 | | 219,019 | | 219,019 | | 11 |
| 12 | Social Services | 77,225 | | 2,711 | 79,936 | | 79,936 | | 79,936 | | 12 |
| 13 | Nurse Aide Training | | | | | | | | | | 13 |
| 14 | Program Transportation | | | | | | | | | | 14 |
| 15 | Other (specify):* | | | | | | | | | | 15 |
| 16 | TOTAL Health Care and Programs | 3,785,168 | 283,416 | 704,030 | 4,772,614 | | 4,772,614 | | 4,772,614 | | 16 |
| | C. General Administration | | | | | | | | | | |
| 17 | Administrative | 200,171 | | 425,425 | 625,596 | | 625,596 | (425,425) | 200,171 | | 17 |
| 18 | Directors Fees | | | | | | | | | | 18 |
| 19 | Professional Services | | | 74,036 | 74,036 | | 74,036 | (12,155) | 61,881 | | 19 |
| 20 | Dues, Fees, Subscriptions & Promotions | | | 33,679 | 33,679 | | 33,679 | 2,049 | 35,728 | | 20 |
| 21 | Clerical & General Office Expenses | 440,616 | | 76,160 | 516,776 | | 516,776 | 16,808 | 533,584 | | 21 |
| 22 | Employee Benefits & Payroll Taxes | | | 669,642 | 669,642 | | 669,642 | 72,440 | 742,082 | | 22 |
| 23 | Inservice Training & Education | | | 1,043 | 1,043 | | 1,043 | | 1,043 | | 23 |
| 24 | Travel and Seminar | | | 2,858 | 2,858 | | 2,858 | 3,232 | 6,090 | | 24 |
| 25 | Other Admin. Staff Transportation | | | 64 | 64 | | 64 | 10,600 | 10,664 | | 25 |
| 26 | Insurance-Prop.Liab.Malpractice | | | 213,158 | 213,158 | | 213,158 | 3,522 | 216,680 | | 26 |
| 27 | Other (specify):* | | | | | | | | | | 27 |
| 28 | TOTAL General Administration | 640,787 | | 1,496,065 | 2,136,852 | | 2,136,852 | (328,929) | 1,807,923 | | 28 |
| 29 | TOTAL Operating Expense (sum of lines 8, 16 & 28) | 5,154,447 | 674,391 | 2,525,667 | 8,354,505 | | 8,354,505 | (337,341) | 8,017,164 | | 29 |

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

SEE ACCOUNTANTS' COMPILATION REPORT

NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

**See schedule of adjustments attached at end of cost report.

Facility Name & ID Number

Lexington of Schaumburg

#0036095

Report Period Beginning:

01/01/02

Ending:

12/31/02

V. COST CENTER EXPENSES (continued)

| | Capital Expense | Cost Per General Ledger | | | | Reclass- ification 5 | Reclassified Total 6 | Adjust- ments 7** | Adjusted Total 8 | FOR OHF USE ONLY | | |
|----|---|-------------------------|---------------|------------|------------|----------------------------|----------------------------|-------------------------|------------------------|------------------|----|----|
| | | Salary/Wage 1 | Supplies 2 | Other 3 | Total 4 | | | | | 9 | 10 | |
| | D. Ownership | | | | | | | | | | | |
| 30 | Depreciation | | | 69,541 | 69,541 | | 69,541 | 197,912 | 267,453 | | | 30 |
| 31 | Amortization of Pre-Op. & Org. | | | | | | | | | | | 31 |
| 32 | Interest | | | 6,182 | 6,182 | | 6,182 | 326,191 | 332,373 | | | 32 |
| 33 | Real Estate Taxes | | | | | | | 402,091 | 402,091 | | | 33 |
| 34 | Rent-Facility & Grounds | | | 1,595,968 | 1,595,968 | | 1,595,968 | (1,595,968) | | | | 34 |
| 35 | Rent-Equipment & Vehicles | | | 7,640 | 7,640 | | 7,640 | 4,868 | 12,508 | | | 35 |
| 36 | Other (specify):* | | | | | | | | | | | 36 |
| 37 | TOTAL Ownership | | | 1,679,331 | 1,679,331 | | 1,679,331 | (664,906) | 1,014,425 | | | 37 |
| | Ancillary Expense | | | | | | | | | | | |
| | E. Special Cost Centers | | | | | | | | | | | |
| 38 | Medically Necessary Transportation | | | | | | | | | | | 38 |
| 39 | Ancillary Service Centers | | 139,298 | 37,083 | 176,381 | | 176,381 | | 176,381 | | | 39 |
| 40 | Barber and Beauty Shops | | | 23,403 | 23,403 | | 23,403 | | 23,403 | | | 40 |
| 41 | Coffee and Gift Shops | | | 14,700 | 14,700 | | 14,700 | | 14,700 | | | 41 |
| 42 | Provider Participation Fee | | | 122,640 | 122,640 | | 122,640 | | 122,640 | | | 42 |
| 43 | Other (specify):* Nonallowable Costs | | | (101,991) | (101,991) | | (101,991) | 101,991 | | | | 43 |
| 44 | TOTAL Special Cost Centers | | 139,298 | 95,835 | 235,133 | | 235,133 | 101,991 | 337,124 | | | 44 |
| 45 | GRAND TOTAL COST (sum of lines 29, 37 & 44) | 5,154,447 | 813,689 | 4,300,833 | 10,268,969 | | 10,268,969 | (900,256) | 9,368,713 | | | 45 |

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

** See schedule of adjustments attached at end of cost report.

SEE ACCOUNTANTS' COMPILATION REPORT

VI. ADJUSTMENT DETAIL A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7.
 In column 2 below, reference the line on which the particular cost was included. (See instructions.)

| | 1 | 2 | 3 | |
|---|--------------|--------|---------|----|
| | Amount | Refer- | OHF USE | |
| | | ence | ONLY | |
| NON-ALLOWABLE EXPENSES | | | | |
| 1 Day Care | \$ | | \$ | 1 |
| 2 Other Care for Outpatients | | | | 2 |
| 3 Governmental Sponsored Special Programs | | | | 3 |
| 4 Non-Patient Meals | (393) | 2 | | 4 |
| 5 Telephone, TV & Radio in Resident Rooms | | | | 5 |
| 6 Rented Facility Space | | | | 6 |
| 7 Sale of Supplies to Non-Patients | | | | 7 |
| 8 Laundry for Non-Patients | (2,794) | 4 | | 8 |
| 9 Non-Straightline Depreciation | (6,451) | 30 | | 9 |
| 10 Interest and Other Investment Income | (1,330) | 32 | | 10 |
| 11 Discounts, Allowances, Rebates & Refunds | | | | 11 |
| 12 Non-Working Officer's or Owner's Salary | | | | 12 |
| 13 Sales Tax | (1,294) | 43 | | 13 |
| 14 Non-Care Related Interest | | | | 14 |
| 15 Non-Care Related Owner's Transactions | | | | 15 |
| 16 Personal Expenses (Including Transportation) | | | | 16 |
| 17 Non-Care Related Fees | | | | 17 |
| 18 Fines and Penalties | (3,250) | 43 | | 18 |
| 19 Entertainment | | | | 19 |
| 20 Contributions | (25) | 43 | | 20 |
| 21 Owner or Key-Man Insurance | | | | 21 |
| 22 Special Legal Fees & Legal Retainers | | | | 22 |
| 23 Malpractice Insurance for Individuals | | | | 23 |
| 24 Bad Debt | 116,842 | 43 | | 24 |
| 25 Fund Raising, Advertising and Promotional | (6,282) | 43 | | 25 |
| 26 Income Taxes and Illinois Personal Property Replacement Tax | (3,950) | 43 | | 26 |
| 27 Nurse Aide Training for Non-Employees | | | | 27 |
| 28 Yellow Page Advertising | | | | 28 |
| 29 Other-Attach Schedule See attached Schedule A | (657,553) | | | 29 |
| 30 SUBTOTAL (A): (Sum of lines 1-29) | \$ (566,480) | | \$ | 30 |

| OHF USE ONLY | | | | | | |
|--------------|--|----|--|----|--|----|
| 48 | | 49 | | 50 | | 51 |
| | | | | | | 52 |

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below.(See instructions.)

| | 1 | 2 | |
|---|--------------|-----------|----|
| | Amount | Reference | |
| 31 Non-Paid Workers-Attach Schedule* | \$ | | 31 |
| 32 Donated Goods-Attach Schedule* | | | 32 |
| 33 Amortization of Organization & Pre-Operating Expense | | | 33 |
| 34 Adjustments for Related Organization Costs (Schedule VII) | (333,776) | | 34 |
| 35 Other- Attach Schedule | | | 35 |
| 36 SUBTOTAL (B): (sum of lines 31-35) | \$ (333,776) | | 36 |
| (sum of SUBTOTALS | | | |
| 37 TOTAL ADJUSTMENTS (A) and (B)) | \$ (900,256) | | 37 |

*These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification.
 (See instructions.)

| | 1 | 2 | 3 | 4 | |
|------------------------------------|-----|----|--------|-----------|----|
| | Yes | No | Amount | Reference | |
| 38 Medically Necessary Transport. | | x | \$ | | 38 |
| 39 | | | | | 39 |
| 40 Gift and Coffee Shops | | x | | | 40 |
| 41 Barber and Beauty Shops | | x | | | 41 |
| 42 Laboratory and Radiology | | x | | | 42 |
| 43 Prescription Drugs | | x | | | 43 |
| 44 Exceptional Care Program | | x | | | 44 |
| 45 Other-Attach Schedule | | x | | | 45 |
| 46 Other-Attach Schedule | | x | | | 46 |
| 47 TOTAL (C): (sum of lines 38-46) | | | \$ | | 47 |

SEE ACCOUNTANTS' COMPILATION REPORT

Lexington of SchaumburgID# 0036095Report Period Beginning: 01/01/02Ending: 12/31/02

Sch. V Line

| NON-ALLOWABLE EXPENSES | | Amount | Reference |
|------------------------|-------|--------|-----------|
| 1 | | \$ | 1 |
| 2 | | | 2 |
| 3 | | | 3 |
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| 46 | | | 46 |
| 47 | | | 47 |
| 48 | | | 48 |
| 49 | Total | 0 | 49 |

Lexington Health Care Center of Schaumburg, Inc.

Provider # 0036095

1/1/02 - 12/31/02

Schedule A

Schedule VI. Adjustment detail

Line 29, Other

| Description | Amount | Reference |
|--|------------------|-----------|
| Nonallowable collections | (23,548) | 19 |
| Out of period professional fees | (3,400) | 19 |
| Deferred maintenance amort. | 613 | 6 |
| Miscellaneous nonallowable expenses | (9,230) | 21 |
| Offset miscellaneous income | (494) | 21 |
| Nonallowable loss on fmV of interest rate swap | (621,494) | 43 |
| Total | <u>(657,553)</u> | |

See Accountants' Compilation Report

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Lexington of Schaumburg# 0036095

Report Period Beginning:

01/01/02

Ending:

12/31/02

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

| | Operating Expenses | PAGES 5 & 5A | PAGE 6 | PAGE 6A | PAGE 6B | PAGE 6C | PAGE 6D | PAGE 6E | PAGE 6F | PAGE 6G | PAGE 6H | PAGE 6I | SUMMARY TOTALS (to Sch V, col.7) | |
|-----|---|-----------------|--------------|----------------|------------------|------------|------------|------------|------------|------------|------------|------------|--|-----------|
| | A. General Services | | | | | | | | | | | | | |
| 1 | Dietary | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 2 | Food Purchase | (393) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (393) | 2 |
| 3 | Housekeeping | 0 | 0 | 771 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 771 | 3 |
| 4 | Laundry | (2,794) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (2,794) | 4 |
| 5 | Heat and Other Utilities | 0 | 0 | 4,117 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,117 | 5 |
| 6 | Maintenance | 0 | 0 | 1,134 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,134 | 6 |
| 7 | Other (specify):* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7 |
| 8 | TOTAL General Services | (3,187) | 0 | 6,022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,835 | 8 |
| | B. Health Care and Programs | | | | | | | | | | | | | |
| 9 | Medical Director | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9 |
| 10 | Nursing and Medical Records | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10 |
| 10a | Therapy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10a |
| 11 | Activities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 11 |
| 12 | Social Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12 |
| 13 | Nurse Aide Training | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 13 |
| 14 | Program Transportation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14 |
| 15 | Other (specify):* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15 |
| 16 | TOTAL Health Care and Programs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16 |
| | C. General Administration | | | | | | | | | | | | | |
| 17 | Administrative | 0 | 0 | 0 | (425,425) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (425,425) | 17 |
| 18 | Directors Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18 |
| 19 | Professional Services | 0 | 7,922 | 10,680 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18,602 | 19 |
| 20 | Fees, Subscriptions & Promotions | 0 | 0 | 2,049 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,049 | 20 |
| 21 | Clerical & General Office Expenses | 0 | 1,246 | 25,286 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 26,532 | 21 |
| 22 | Employee Benefits & Payroll Taxes | 0 | 0 | 60,580 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 60,580 | 22 |
| 23 | Inservice Training & Education | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 23 |
| 24 | Travel and Seminar | 0 | 0 | 3,232 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,232 | 24 |
| 25 | Other Admin. Staff Transportation | 0 | 0 | 0 | 10,600 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,600 | 25 |
| 26 | Insurance-Prop.Liab.Malpractice | 0 | 0 | 0 | 3,522 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,522 | 26 |
| 27 | Other (specify):* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 27 |
| 28 | TOTAL General Administration | 0 | 9,168 | 101,827 | (411,303) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (300,308) | 28 |
| 29 | TOTAL Operating Expense (sum of lines 8,16 & 28) | (3,187) | 9,168 | 107,849 | (411,303) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (297,473) | 29 |

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Lexington of Schaumburg# 0036095

Report Period Beginning:

01/01/02

Ending:

12/31/02

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

| | Capital Expense | PAGES 5 & 5A | PAGE 6 | PAGE 6A | PAGE 6B | PAGE 6C | PAGE 6D | PAGE 6E | PAGE 6F | PAGE 6G | PAGE 6H | PAGE 6I | SUMMARY TOTALS (to Sch V, col.7) | |
|----|---------------------------------------|-----------------|------------------|----------------|------------------|------------|------------|------------|------------|------------|------------|------------|--|-----------|
| | D. Ownership | | | | | | | | | | | | | |
| 30 | Depreciation | (6,451) | 175,807 | 0 | 28,556 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 197,912 | 30 |
| 31 | Amortization of Pre-Op. & Org. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 31 |
| 32 | Interest | (1,330) | 322,900 | 0 | 4,621 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 326,191 | 32 |
| 33 | Real Estate Taxes | 0 | 395,968 | 0 | 2,314 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 398,282 | 33 |
| 34 | Rent-Facility & Grounds | 0 | (1,595,968) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,595,968) | 34 |
| 35 | Rent-Equipment & Vehicles | 0 | 0 | 0 | 4,868 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,868 | 35 |
| 36 | Other (specify):* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 36 |
| 37 | TOTAL Ownership | (7,781) | (701,293) | 0 | 40,359 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (668,715) | 37 |
| | Ancillary Expense | | | | | | | | | | | | | |
| | E. Special Cost Centers | | | | | | | | | | | | | |
| 38 | Medically Necessary Transportation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 38 |
| 39 | Ancillary Service Centers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 39 |
| 40 | Barber and Beauty Shops | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 40 |
| 41 | Coffee and Gift Shops | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 41 |
| 42 | Provider Participation Fee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 42 |
| 43 | Other (specify):* | 102,041 | (50) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 101,991 | 43 |
| 44 | TOTAL Special Cost Centers | 102,041 | (50) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 101,991 | 44 |
| | GRAND TOTAL COST | | | | | | | | | | | | | |
| 45 | (sum of lines 29, 37 & 44) | 91,073 | (692,175) | 107,849 | (370,944) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (864,197) | 45 |

Facility Name & ID Number Lexington of Schaumburg

0036095

Report Period Beginning:

01/01/02

Ending:

12/31/02

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.

| 1 OWNERS | | 2 RELATED NURSING HOMES | | 3 OTHER RELATED BUSINESS ENTITIES | | |
|-------------------------|-------------|-------------------------|------|-----------------------------------|------------|-------------------|
| Name | Ownership % | Name | City | Name | City | Type of Business |
| See attached Schedule B | | See attached Schedule B | | Sambell of Schaumburg | | |
| | | | | Ltd. Ptsp. | Schaumburg | Real estate ptsp. |
| | | | | | | |
| | | | | Royal Mgmt. Corp. | Lombard | Mgmt. Co. |
| | | | | Lexington Financial | | |
| | | | | Services, L.L.C. | Lombard | Finance Co. |
| | | | | | | |

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

| 1 | 2 | 3 Cost Per General Ledger | 4 | 5 Cost to Related Organization | 6 | 7 | 8 Difference: |
|------------|-------|---|--------------|---|----------------------|--|--|
| Schedule V | Line | Item | Amount | Name of Related Organization | Percent of Ownership | Operating Cost of Related Organization | Adjustments for Related Organization Costs (7 minus 4) |
| 1 | V | 19 Professional fees | \$ | Sambell of Schaumburg Limited Partnership | ** | \$ 7,922 | \$ 7,922 1 |
| 2 | V | 30 Depreciation | | Sambell of Schaumburg Limited Partnership | ** | 175,807 | 175,807 2 |
| 3 | V | 21 Bank charges | | Sambell of Schaumburg Limited Partnership | ** | 50 | 50 3 |
| 4 | V | 21 Administrative fees | | Sambell of Schaumburg Limited Partnership | ** | 1,196 | 1,196 4 |
| 5 | V | 32 Amortization of mortgage costs | | Sambell of Schaumburg Limited Partnership | ** | 6,902 | 6,902 5 |
| 6 | V | 32 Interest expense | | Sambell of Schaumburg Limited Partnership | ** | 315,998 | 315,998 6 |
| 7 | V | 33 Property taxes | | Sambell of Schaumburg Limited Partnership | ** | 395,968 | 395,968 7 |
| 8 | V | 34 Rental expense | 1,595,968 | Sambell of Schaumburg Limited Partnership | ** | | (1,595,968) 8 |
| 9 | V | 43 State replacement tax | | Sambell of Schaumburg Limited Partnership | ** | (50) | (50) 9 |
| 10 | V | 43 Unrealized loss on fair | | Sambell of Schaumburg Limited Partnership | ** | | |
| 11 | V | value of an interest rate swap | | Sambell of Schaumburg Limited Partnership | ** | 621,494 | 621,494 11 |
| 12 | V | | | | | | |
| 13 | V | **The owners of Lexington Health Care Center of Schaumburg, Inc. own 100% of Sambell of Schaumburg Limited Partnership. | | | | | |
| 14 | Total | | \$ 1,595,968 | | | \$ 1,525,287 | \$ * (70,681) 14 |

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Lexington Health Care Center of Schaumburg, Inc.
Provider # 0036095
1/1/02 - 12/31/02

Schedule B

VII. Related Parties
Owners

| <u>Name</u> | <u>Ownership %</u> |
|-----------------------------------|--------------------|
| James Samatas Discretionary Trust | 22.33% |
| John Samatas Discretionary Trust | 22.33% |
| Cynthia Thiem Discretionary Trust | 22.34% |
| Jeffrey J. Bell Revocable Trust | 8.25% |
| Lawrence W. Bell Revocable Trust | 8.25% |
| David S. Bell Revocable Trust | 8.25% |
| David S. Bell 2001 Trust | 2.75% |
| Jeffrey J. Bell 2001 Trust | 2.75% |
| Lawrence W. Bell 2001 Trust | 2.75% |

Related Nursing Homes

City

| | |
|---|---------------|
| Lexington Health Care Center of Lombard, Inc. | Lombard |
| Lexington Health Care Center of Bloomingdale, Inc. | Bloomingdale |
| Lexington Health Care Center of Chicago Ridge, Inc. | Chicago Ridge |
| Lexington Health Care Center of Elmhurst, Inc. | Elmhurst |
| Lexington Health Care Center of LaGrange, Inc. | LaGrange |
| Lexington Health Care Center of Lake Zurich, Inc. | Lake Zurich |
| Lexington Health Care Center of Streamwood, Inc. | Streamwood |
| Lexington Health Care Center of Wheeling, Inc. | Wheeling |
| Lexington Health Care Center of Orland Park, Inc. | Orland Park |

Facility Name & ID Number Lexington of Schaumburg

0036095

Report Period Beginning: 01/01/02

Ending: 12/31/02

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth.

☒

YES

☐

NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

| 1 | 2 | 3 Cost Per General Ledger | 4 | 5 Cost to Related Organization | 6 | 7 | 8 Difference: |
|------------|-------|---|--------|--------------------------------|----------------------|--|--|
| Schedule V | Line | Item | Amount | Name of Related Organization | Percent of Ownership | Operating Cost of Related Organization | Adjustments for Related Organization Costs (7 minus 4) |
| 15 | V | 3 Housekeeping supplies | \$ | Royal Management Corp. | ** | \$ 771 | \$ 771 |
| 16 | V | 5 Utilities - gas & electric | | Royal Management Corp. | ** | 3,921 | 3,921 |
| 17 | V | 5 Utilities - water & sewer | | Royal Management Corp. | ** | 196 | 196 |
| 18 | V | 6 Repairs & maintenance | | Royal Management Corp. | ** | 1,068 | 1,068 |
| 19 | V | 6 Scavenger & exterminating | | Royal Management Corp. | ** | 49 | 49 |
| 20 | V | 6 Security service | | Royal Management Corp. | ** | 17 | 17 |
| 21 | V | 19 Computer consultant & supplies | | Royal Management Corp. | ** | 8,509 | 8,509 |
| 22 | V | 19 Professional fees | | Royal Management Corp. | ** | 2,171 | 2,171 |
| 23 | V | 20 Advertising - help wanted | | Royal Management Corp. | ** | 1,232 | 1,232 |
| 24 | V | 20 Dues & subscriptions | | Royal Management Corp. | ** | 817 | 817 |
| 25 | V | 21 Bank charges | | Royal Management Corp. | ** | 2,839 | 2,839 |
| 26 | V | 21 Communications | | Royal Management Corp. | ** | 567 | 567 |
| 27 | V | 21 Office supplies & printing | | Royal Management Corp. | ** | 10,757 | 10,757 |
| 28 | V | 21 Postage | | Royal Management Corp. | ** | 3,379 | 3,379 |
| 29 | V | 21 Telephone | | Royal Management Corp. | ** | 7,744 | 7,744 |
| 30 | V | 22 FICA | | Royal Management Corp. | ** | 32,654 | 32,654 |
| 31 | V | 22 FUTA | | Royal Management Corp. | ** | 601 | 601 |
| 32 | V | 22 SUTA | | Royal Management Corp. | ** | 655 | 655 |
| 33 | V | 22 Insurance - W/C | | Royal Management Corp. | ** | 757 | 757 |
| 34 | V | 22 Insurance - hospitalization | | Royal Management Corp. | ** | 18,994 | 18,994 |
| 35 | V | 22 401(k) and other emp. benefits | | Royal Management Corp. | ** | 6,919 | 6,919 |
| 36 | V | 24 Travel & seminar | | Royal Management Corp. | ** | 3,232 | 3,232 |
| 37 | V | | | | | | |
| 38 | V | **Certain owners of Lexington Health Care Center of Schaumburg, Inc. own 100% of Royal Management Corp. | | | | | |
| 39 | Total | | \$ | | | \$ 107,849 | \$ * 107,849 |

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Schaumburg

0036095

Report Period Beginning: 01/01/02

Ending: 12/31/02

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth.

☒

YES

☐

NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

| 1 | 2 | 3 Cost Per General Ledger | 4 | 5 Cost to Related Organization | 6 | 7 | 8 Difference: |
|------------|-------|--|------------|--------------------------------|----------------------|--|--|
| Schedule V | Line | Item | Amount | Name of Related Organization | Percent of Ownership | Operating Cost of Related Organization | Adjustments for Related Organization Costs (7 minus 4) |
| 15 | V | 25 Auto expense | \$ | Royal Management Corp. | ** | \$ 10,600 | \$ 10,600 |
| 16 | V | 26 Insurance - general | | Royal Management Corp. | ** | 3,522 | 3,522 |
| 17 | V | 30 Depreciation - vehicles | | Royal Management Corp. | ** | 3,781 | 3,781 |
| 18 | V | 30 Depreciation - leasehold improv. | | Royal Management Corp. | ** | 7,425 | 7,425 |
| 19 | V | 30 Depreciation - equipment | | Royal Management Corp. | ** | 17,350 | 17,350 |
| 20 | V | 32 Interest | | Royal Management Corp. | ** | 4,621 | 4,621 |
| 21 | V | 33 Property taxes | | Royal Management Corp. | ** | 2,314 | 2,314 |
| 22 | V | 35 Equipment rental | | Royal Management Corp. | ** | 4,868 | 4,868 |
| 23 | V | 17 Management fees | 425,425 | Royal Management Corp. | ** | | (425,425) |
| 24 | V | | | | | | |
| 25 | V | | | | | | |
| 26 | V | | | | | | |
| 27 | V | | | | | | |
| 28 | V | | | | | | |
| 29 | V | | | | | | |
| 30 | V | | | | | | |
| 31 | V | | | | | | |
| 32 | V | | | | | | |
| 33 | V | | | | | | |
| 34 | V | | | | | | |
| 35 | V | | | | | | |
| 36 | V | | | | | | |
| 37 | V | | | | | | |
| 38 | V | ** Certain owners of Lexington Health Care Center of Schaumburg, Inc. own 100% of Royal Management Corp. | | | | | |
| 39 | Total | | \$ 425,425 | | | \$ 54,481 | \$ * (370,944) |

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Schaumburg # 0036095 Report Period Beginning: 01/01/02 Ending: 12/31/02

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

| | 1 Name | 2 Title | 3 Function | 4 Ownership Interest | 5 Compensation Received From Other Nursing Homes* | 6 Average Hours Per Work Week Devoted to this Facility and % of Total Work Week | | 7 Compensation Included in Costs for this Reporting Period** | | 8 Schedule V. Line & Column Reference | |
|----|----------------|------------------|-----------------|-------------------------|--|--|---------|---|-----------|--|----|
| | | | | | | Hours | Percent | Description | Amount | | |
| 1 | James Samatas | Owner/Officer | Administrative | 22.33% | See Schedule C | 5 | 11.00% | Salary | \$ 39,901 | L17, C1 | 1 |
| 2 | John Samatas | Owner/Officer | Admin/Plant Ops | 22.33% | See Schedule C | 2 | 10.00% | Salary | 17,734 | L17, C1 | 2 |
| 3 | Cynthia Thiem | Owner/Officer | Administrative | 22.34% | See Schedule C | 2 | 10.00% | Salary | 22,167 | L17, C1 | 3 |
| 4 | George Samatas | Officer | Administrative | 0.00% | See Schedule C | 2 | 10.00% | Salary | 5,320 | L17, C1 | 4 |
| 5 | Jason Samatas | VP of Operations | Administrative | 0.00% | See Schedule C | 6 | 12.00% | Salary | 13,437 | L17, C1 | 5 |
| 6 | | | | | | | | | | | 6 |
| 7 | | | | | | | | | | | 7 |
| 8 | | | | | | All individuals work in excess of 40 hours per week | | | | | 8 |
| 9 | | | | | | | | | | | 9 |
| 10 | | | | | | | | | | | 10 |
| 11 | | | | | | | | | | | 11 |
| 12 | | | | | | | | | | | 12 |
| 13 | | | | | | | | TOTAL | \$ 98,559 | | 13 |

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees). FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME, ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION

SEE ACCOUNTANTS' COMPILATION REPORT

Lexington Health Care Center of Schaumburg, Inc.
Provider #0036095
1/1/01 - 12/31/01

Schedule C

VII. Related Parties

C. Statement of Compensation and Other Payments to Owners, Relatives
and Members of the Board of Directors

5. Compensation Received From Other Nursing Homes

| <u>Name of facility</u> | <u>John Samatas</u> | <u>James Samatas</u> | <u>Cynthia Thiem</u> | <u>George Samatas</u> | <u>Jason Samatas</u> | <u>Total</u> |
|---|-------------------------|--------------------------|--------------------------|---------------------------|--------------------------|--------------|
| Lexington Health Care Center of Bloomingdale, Inc. | 13,617 | 30,638 | 17,021 | 4,085 | 10,318 | 75,679 |
| Lexington Health Care Center of Chicago Ridge, Inc. | 17,734 | 39,901 | 22,167 | 5,320 | 13,437 | 98,559 |
| Lexington Health Care Center of Elmhurst, Inc. | 11,875 | 26,719 | 14,844 | 3,563 | 8,998 | 65,999 |
| Lexington Health Care Center of LaGrange, Inc. | 8,629 | 19,416 | 10,787 | 2,589 | 6,538 | 47,959 |
| Lexington Health Care Center of Lake Zurich, Inc. | 16,071 | 36,160 | 20,089 | 4,821 | 12,177 | 89,318 |
| Lexington Health Care Center of Lombard, Inc. | 17,734 | 39,901 | 22,167 | 5,320 | 13,437 | 98,559 |
| Lexington Health Care Center of Orland Park, Inc. | 21,376 | 48,096 | 26,721 | 6,413 | 16,194 | 118,800 |
| Lexington Health Care Center of Streamwood, Inc. | 17,734 | 39,901 | 22,167 | 5,320 | 13,437 | 98,559 |
| Lexington Health Care Center of Wheeling, Inc. | 17,496 | 39,367 | 21,870 | 5,249 | 13,258 | 97,240 |
| Total | 142,266 | 320,099 | 177,833 | 42,680 | 107,794 | 790,672 |

See Accountants' Compilation Report

Facility Name & ID Number Lexington of Schaumburg# 0036095

Report Period Beginning:

01/01/02Ending: 12/31/02

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES ☒ NO ☐

Name of Related Organization

Royal Management Corp.

Street Address

665 W. North Avenue, Suite 500

City / State / Zip Code

Lombard, IL 60148

Phone Number

(630) 458-4700

Fax Number

(630) 458-4796

B. Show the allocation of costs below. If necessary, please attach worksheets.

| | 1 Schedule V Line Reference | 2 Item | 3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet) | 4 Total Units | 5 Number of Subunits Being Allocated Among | 6 Total Indirect Cost Being Allocated | 7 Amount of Salary Cost Contained in Column 6 | 8 Facility Units | 9 Allocation (col.8/col.4)x col.6 | |
|----|--------------------------------------|--------------------------------|---|----------------------|---|--|--|----------------------------|---|--|
| 1 | 3 | Housekeeping supplies | Bed Days | 737,665 | 10 | \$ 6,954 | \$ 81,760 | \$ 771 | 1 | |
| 2 | 5 | Utilities - gas & electric | Bed Days | 737,665 | 10 | 35,380 | 81,760 | 3,921 | 2 | |
| 3 | 5 | Utilities - water & sewer | Bed Days | 737,665 | 10 | 1,765 | 81,760 | 196 | 3 | |
| 4 | 6 | Repairs & maintenance | Bed Days | 737,665 | 10 | 9,640 | 81,760 | 1,068 | 4 | |
| 5 | 6 | Scavenger & exterminating | Bed Days | 737,665 | 10 | 438 | 81,760 | 49 | 5 | |
| 6 | 6 | Security service | Bed Days | 737,665 | 10 | 150 | 81,760 | 17 | 6 | |
| 7 | 19 | Computer consultant & supplies | Bed Days | 737,665 | 10 | 76,767 | 81,760 | 8,509 | 7 | |
| 8 | 19 | Professional fees | Bed Days | 737,665 | 10 | 19,590 | 81,760 | 2,171 | 8 | |
| 9 | 20 | Advertising - help wanted | Bed Days | 737,665 | 10 | 11,111 | 81,760 | 1,232 | 9 | |
| 10 | 20 | Dues & subscriptions | Bed Days | 737,665 | 10 | 7,373 | 81,760 | 817 | 10 | |
| 11 | 21 | Bank charges | Bed Days | 737,665 | 10 | 25,613 | 81,760 | 2,839 | 11 | |
| 12 | 21 | Communications | Bed Days | 737,665 | 10 | 5,118 | 81,760 | 567 | 12 | |
| 13 | 21 | Office supplies & printing | Bed Days | 737,665 | 10 | 97,051 | 81,760 | 10,757 | 13 | |
| 14 | 21 | Postage | Bed Days | 737,665 | 10 | 30,484 | 81,760 | 3,379 | 14 | |
| 15 | 21 | Telephone | Bed Days | 737,665 | 10 | 69,873 | 81,760 | 7,744 | 15 | |
| 16 | 22 | FICA | Bed Days | 737,665 | 10 | 294,613 | 81,760 | 32,654 | 16 | |
| 17 | 22 | FUTA | Bed Days | 737,665 | 10 | 5,419 | 81,760 | 601 | 17 | |
| 18 | 22 | SUTA | Bed Days | 737,665 | 10 | 5,907 | 81,760 | 655 | 18 | |
| 19 | 22 | Insurance - W/C | Bed Days | 737,665 | 10 | 6,829 | 81,760 | 757 | 19 | |
| 20 | 22 | Insurance - hospitalization | Bed Days | 737,665 | 10 | 171,371 | 81,760 | 18,994 | 20 | |
| 21 | 22 | 401(k) and other emp. benefits | Bed Days | 737,665 | 10 | 62,427 | 81,760 | 6,919 | 21 | |
| 22 | 24 | Travel & seminar | Bed Days | 737,665 | 10 | 29,161 | 81,760 | 3,232 | 22 | |
| 23 | | | | | | | | | 23 | |
| 24 | | | | | | | | | 24 | |
| 25 | TOTALS | | | | | \$ 973,034 | \$ | \$ 107,849 | 25 | |

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Schaumburg# 0036095

Report Period Beginning:

01/01/02Ending: 12/31/02

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES ☒ NO ☐

Name of Related Organization

Royal Management Corp.

Street Address

665 W. North Avenue, Suite 500

City / State / Zip Code

Lombard, IL 60148

Phone Number

(630) 458-4700

Fax Number

(630) 458-4796

B. Show the allocation of costs below. If necessary, please attach worksheets.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | |
|---------------------------------|--------|---|-------------|--|---|---|-------------------|------------------------------------|----|
| Schedule V Line Reference | Item | Unit of Allocation (i.e., Days, Direct Cost, Square Feet) | Total Units | Number of Subunits Being Allocated Among | Total Indirect Cost Being Allocated | Amount of Salary Cost Contained in Column 6 | Facility Units | Allocation (col.8/col.4)x col.6 | |
| 1 | 25 | Auto expense | Bed Days | 737,665 | 10 | \$ 95,636 | \$ 81,760 | \$ 10,600 | 1 |
| 2 | 26 | Insurance - general | Bed Days | 737,665 | 10 | 31,776 | 81,760 | 3,522 | 2 |
| 3 | 30 | Depreciation - vehicles | Bed Days | 737,665 | 10 | 34,112 | 81,760 | 3,781 | 3 |
| 4 | 30 | Depreciation - leasehold improv. | Bed Days | 737,665 | 10 | 66,995 | 81,760 | 7,425 | 4 |
| 5 | 30 | Depreciation - equipment | Bed Days | 737,665 | 10 | 156,541 | 81,760 | 17,350 | 5 |
| 6 | 32 | Interest | Bed Days | 737,665 | 10 | 41,692 | 81,760 | 4,621 | 6 |
| 7 | 33 | Property taxes | Bed Days | 737,665 | 10 | 20,881 | 81,760 | 2,314 | 7 |
| 8 | 35 | Equipment rental | Bed Days | 737,665 | 10 | 43,917 | 81,760 | 4,868 | 8 |
| 9 | | | | | | | | | 9 |
| 10 | | | | | | | | | 10 |
| 11 | | | | | | | | | 11 |
| 12 | | | | | | | | | 12 |
| 13 | | | | | | | | | 13 |
| 14 | | | | | | | | | 14 |
| 15 | | | | | | | | | 15 |
| 16 | | | | | | | | | 16 |
| 17 | | | | | | | | | 17 |
| 18 | | | | | | | | | 18 |
| 19 | | | | | | | | | 19 |
| 20 | | | | | | | | | 20 |
| 21 | | | | | | | | | 21 |
| 22 | | | | | | | | | 22 |
| 23 | | | | | | | | | 23 |
| 24 | | | | | | | | | 24 |
| 25 | TOTALS | | | | | \$ 491,550 | \$ | \$ 54,481 | 25 |

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Schaumburg# 0036095

Report Period Beginning:

01/01/02

Ending:

12/31/02

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

| 1 | | 2 | | 3 | 4 | 5 | 6 | | 7 | 8 | 9 | 10 | |
|----|------------------------------|-----------|----|-----------------|--------------------------|--------------|----------------|-----------------------------------|---------------|--------------------------|-----------------------------------|----|--|
| | Name of Lender | Related** | | Purpose of Loan | Monthly Payment Required | Date of Note | Amount of Note | | Maturity Date | Interest Rate (4 Digits) | Reporting Period Interest Expense | | |
| | | YES | NO | | | | Original | Balance | | | | | |
| | A. Directly Facility Related | | | | | | | | | | | | |
| | Long-Term | | | | | | | | | | | | |
| 1 | Lexington Financial | x | | Mortgage | Varies | 04/25/01 | \$ 6,200,000 | \$ 6,005,000 | 02/01/2026 | Variable | \$ 315,998 | 1 | |
| 2 | Services, L.L.C. | | | | | | | | | | | 2 | |
| 3 | | | | | | | | | | | | 3 | |
| 4 | | | | | | | | | | | | 4 | |
| 5 | | | | | | | | | | | | 5 | |
| | Working Capital | | | | | | | | | | | | |
| 6 | LaSalle Bank N. A. | | x | Working capital | Varies | 04/06/02 | 900,000 | 500,000 | 04/05/2003 | 0.0425 | 6,182 | 6 | |
| 7 | | | | | | | | | | | | 7 | |
| 8 | | | | | | | | | | | | 8 | |
| 9 | TOTAL Facility Related | | | | | | \$ 7,100,000 | \$ 6,505,000 | | | \$ 322,180 | 9 | |
| | B. Non-Facility Related* | | | | | | | | | | | | |
| 10 | | | | | | | | Amortization of loan costs | | | 6,902 | 10 | |
| 11 | | | | | | | | Interest income offset | | | (1,330) | 11 | |
| 12 | | | | | | | | Allocated from management company | | | 4,621 | 12 | |
| 13 | | | | | | | | | | | | 13 | |
| 14 | TOTAL Non-Facility Related | | | | | | \$ | \$ | | | \$ 10,193 | 14 | |
| 15 | TOTALS (line 9+line14) | | | | | | \$ 7,100,000 | \$ 6,505,000 | | | \$ 332,373 | 15 | |

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ N/A Line # N/A* Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7.
(See instructions.)

SEE ACCOUNTANTS' COMPILATION REPORT

** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2.
(See instructions.)

Facility Name & ID Number **Lexington of Schaumburg**# **0036095**

Report Period Beginning:

01/01/02

Ending:

12/31/02**IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE (continued)****B. Real Estate Taxes**

| | | | | | |
|--|--|--|----|-----------------|---|
| 1. Real Estate Tax accrual used on 2001 report. | | Important , please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report. | \$ | 438,000 | 1 |
| 2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.) | | Allocated from management company | \$ | 2,314 | |
| | | 2001 | \$ | 407,968 | 2 |
| 3. Under or (over) accrual (line 2 minus line 1). | | | \$ | (27,718) | 3 |
| 4. Real Estate Tax accrual used for 2002 report. (Detail and explain your calculation of this accrual on the lines below.) | | | \$ | 426,000 | 4 |
| 5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. (Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.) | | | \$ | 3,809 | 5 |
| 6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund. | | | \$ | | |
| TOTAL REFUND \$ For Tax Year. (Attach a copy of the real estate tax appeal board's decision.) | | | \$ | | 6 |
| 7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6. | | | \$ | 402,091 | 7 |

Real Estate Tax History:

| | | | |
|---|------|----------------|----|
| Real Estate Tax Bill for Calendar Year: | 1997 | 397,180 | 8 |
| | 1998 | 395,337 | 9 |
| | 1999 | 393,271 | 10 |
| | 2000 | 402,925 | 11 |
| | 2001 | 407,968 | 12 |

| | | | |
|-----------------------------------|----------------|--|--|
| 2001 taxes: | 407,968 | | |
| Estimated increase (4.5%): | 1,045 | | |
| Estimated 2002 taxes: | 426,327 | | |
| Use: | 426,000 | | |

| | |
|-------------------------|---|
| FOR OHF USE ONLY | |
| 13 | FROM R. E. TAX STATEMENT FOR 2001 \$ 13 |
| 14 | PLUS APPEAL COST FROM LINE 5 \$ 14 |
| 15 | LESS REFUND FROM LINE 6 \$ 15 |
| 16 | AMOUNT TO USE FOR RATE CALCULATIONS 16 |

- NOTES:
1. Please indicate a negative number by use of brackets(). Deduct any overaccrual of taxes from prior year.
 2. If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity.
This denial must be no more than four years old at the time the cost report is filed.

SEE ACCOUNTANTS' COMPILATION REPORT

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates RE: 2001 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2001 real estate tax costs, as well as copies of your real estate tax bills for calendar 2001.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2001 real estate tax bill to the Department of Public Aid, Office of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2002 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions,

2001 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Lexington of Schaumburg COUNTY Cook

FACILITY IDPH LICENSE NUMBER 0036095

CONTACT PERSON REGARDING THIS REPORT Susan Rojek

TELEPHONE (630) 458-4700 FAX #: (630) 458-4796

A. Summary of Real Estate Tax Costs

Enter the tax index number and real estate tax assessed for 2001 on the lines provided below. Enter only the portion of the cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursing home property which is vacant, rented to other organizations, or used for purposes other than long term care must not be entered in Column D. Do not include cost for any period other than calendar year 2001

| (A) | (B) | (C) | (D) |
|--|-----------------------------|----------------------|---|
| <u>Tax Index Number</u> | <u>Property Description</u> | <u>Total Tax</u> | <u>Tax Applicable to Nursing Home</u> |
| 1. <u>07-27-201-039-0000</u> | <u>Land & Building</u> | \$ <u>407,968.00</u> | \$ <u>407,968.00</u> |
| 2. <u>Royal Management Corp. (Omni Partners)</u> | | \$ _____ | \$ _____ |
| 3. <u>06-19-201-018</u> | <u>Land & Building</u> | \$ <u>70,162.00</u> | \$ <u>162.00</u> |
| 4. <u>Royal Management Corp. (Samvest)</u> | | \$ _____ | \$ _____ |
| 5. <u>05-01-202-019</u> | <u>Land & Building</u> | \$ <u>144,399.00</u> | \$ <u>2,152.00</u> |
| 6. _____ | | \$ _____ | \$ _____ |
| 7. _____ | | \$ _____ | \$ _____ |
| 8. _____ | | \$ _____ | \$ _____ |
| 9. _____ | | \$ _____ | \$ _____ |
| 10. _____ | | \$ _____ | \$ _____ |
| TOTALS | | \$ <u>622,529.00</u> | \$ <u>410,282.00</u> |

B. Real Estate Tax Cost Allocation:

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not direct used for nursing home services? YES X NO

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing home (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used)

C. Tax Bills

Attach a copy of the 2001 tax bills which were listed in Section A to this statement. Be sure to use the 2001 tax bill which is normally paid during 2002.

A.

Square Feet:

85,541

B.

General Construction Type:

Exterior

Concrete Block

Frame

Steel

Number of Stories

3

C.

Does the Operating Entity?

☐

(a) Own the Facility

☒

(b) Rent from a Related Organization.

☐

(c) Rent from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.

D.

Does the Operating Entity?

☒

(a) Own the Equipment

☒

(b) Rent equipment from a Related Organization.

☒

(c) Rent equipment from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.

E.

List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's ground: (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, nurse aide training facilities, etc.) List entity name, type of business, square footage, and number of beds/units available (where applicable)

None

F.

Does this cost report reflect any organization or pre-operating costs which are being amortized?

☐

YES

☒

NO

If so, please complete the following:

1. Total Amount Incurred:

N/A

2. Number of Years Over Which it is Being Amortized:

N/A

3. Current Period Amortization:

N/A

4. Dates Incurred:

N/A

Nature of Costs:

(Attach a complete schedule detailing the total amount of organization and pre-operating costs.)

XI. OWNERSHIP COSTS:

A. Land.

| | 1 | 2 | 3 | 4 | |
|---|---------------|-------------|---------------|------------|---|
| | Use | Square Feet | Year Acquired | Cost | |
| 1 | Resident Care | 230,000 | 1988 | \$ 211,532 | 1 |
| 2 | Mgmt Co. | | 2002 | 18,045 | 2 |
| 3 | TOTALS | 230,000 | | \$ 229,577 | 3 |

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Schaumburg

0036095

Report Period Beginning:

01/01/02

Ending:

12/31/02

XI. OWNERSHIP COSTS (continued)**B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar**

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | |
|---------------------------|---|---------------|------------------|--------------|---------------------------|---------------|----------------------------|-------------|--------------------------|
| Beds* | FOR OHF USE ONLY | Year Acquired | Year Constructed | Cost | Current Book Depreciation | Life in Years | Straight Line Depreciation | Adjustments | Accumulated Depreciation |
| 4 | 215 | 1990 | 1990 | \$ 5,865,346 | \$ 167,581 | 35 | 167,581 | \$ 167,581 | \$ 2,183,831 |
| 5 | 9 | 1995 | 1995 | 146,217 | 4,178 | 35 | 4,178 | | 31,336 |
| 6 | | | | | | | | | |
| 7 | | | | | | | | | |
| 8 | | | | | | | | | |
| Improvement Type** | | | | | | | | | |
| 9 | Building improvements | 1991 | | 3,521 | 352 | 10 | 352 | | 3,696 |
| 10 | Building improvements | 1992 | | 859 | 25 | 35 | 25 | | 259 |
| 11 | Land improvements | 1992 | | 5,764 | | 20 | 288 | 288 | 3,024 |
| 12 | Land improvements | 1992 | | 5,000 | | 20 | 250 | 250 | 2,375 |
| 13 | Building improvements | 1993 | | 12,368 | | 10 | 1,237 | 1,237 | 11,750 |
| 14 | Fan coil units in offices | 1996 | | 5,149 | 147 | 35 | 147 | | 956 |
| 15 | Basement rehab | 1997 | | 14,697 | 1,470 | 10 | 1,470 | | 8,574 |
| 16 | Brick | 1997 | | 1,500 | 43 | 35 | 43 | | 233 |
| 17 | Dining room rehab | 1997 | | 6,422 | 642 | 10 | 642 | | 3,124 |
| 18 | Parking lot repave and restripe | 1998 | | 2,777 | 277 | 10 | 277 | | 1,251 |
| 19 | Wiring | 1998 | | 3,667 | 367 | 10 | 367 | | 1,651 |
| 20 | Retile 2nd and 3rd floor corridors | 1998 | | 10,100 | 1,010 | 10 | 1,010 | | 4,545 |
| 21 | Plumbing for HVAC | 1998 | | 2,263 | 453 | 5 | 453 | | 2,038 |
| 22 | Lobby-floor tile | 1999 | | 7,478 | 748 | 10 | 748 | | 2,867 |
| 23 | Wallpaper-labor | 1999 | | 9,705 | 970 | 10 | 970 | | 3,638 |
| 24 | New patio | 1999 | | 19,039 | 1,269 | 15 | 1,269 | | 4,124 |
| 25 | New pay phone/wiring | 1999 | | 2,975 | 298 | 10 | 298 | | 968 |
| 26 | Repave and restripe parking lot | 2000 | | 10,735 | 1,074 | 10 | 1,074 | | 2,685 |
| 27 | Roof repairs | 2000 | | 9,625 | 962 | 10 | 962 | | 2,405 |
| 28 | Water heater | 2000 | | 6,669 | 669 | 10 | 669 | | 1,672 |
| 29 | Automatic door | 2000 | | 1,300 | 130 | 10 | 130 | | 325 |
| 30 | Rehab project - paint resident rooms, carpet hallways, and tile | 2000 | | 52,760 | 5,276 | 10 | 5,276 | | 13,190 |
| 31 | Repave parking lot | 2001 | | 24,654 | 616 | 40 | 616 | | 924 |
| 32 | Water heater and storage tanks | 2001 | | 12,102 | 1,210 | 10 | 1,210 | | 2,420 |
| 33 | Garbage area | 2001 | | 4,788 | 479 | 20 | 479 | | 718 |
| 34 | | | | | | | | | |
| 35 | | | | | | | | | |
| 36 | | | | | | | | | |

*Total beds on this schedule must agree with page 2.

**Improvement type must be detailed in order for the cost report to be considered complete

See Page 12A, Line 70 for total

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Page 12A

Facility Name & ID Number Lexington of Schaumburg

0036095

Report Period Beginning:

01/01/02

Ending:

12/31/02

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar

| | 1 Improvement Type** | 2 Year Constructed | 3 Cost | 4 Current Book Depreciation | 5 Life in Years | 6 Straight Line Depreciation | 7 Adjustments | 8 Accumulated Depreciation | 9 |
|----|--|--------------------------|--------------|-----------------------------------|-----------------------|------------------------------------|------------------|----------------------------------|----|
| 37 | Roof | 2002 | \$ 25,600 | \$ 853 | 10 | \$ 853 | \$ | \$ 853 | 37 |
| 38 | Facility rehab - paint resident rooms, carpet hallways, and tile | 2002 | 327,253 | 15,192 | 20 | 15,192 | | 22,735 | 38 |
| 39 | Elevator electronic curtain | 2002 | 4,500 | 225 | 10 | 225 | | 225 | 39 |
| 40 | Elevator upgrade | 2002 | 5,471 | 274 | 10 | 274 | | 274 | 40 |
| 41 | | | | | | | | | 41 |
| 42 | | | | | | | | | 42 |
| 43 | Leasehold improvements - management company | 1995 | 11,437 | | 35 | 415 | 415 | 2,451 | 43 |
| 44 | Leasehold improvements - management company | 1996 | 9,308 | | 35 | 338 | 338 | 1,729 | 44 |
| 45 | Leasehold improvements - management company | 1989 | 321 | | 31 | 12 | 12 | 151 | 45 |
| 46 | HVAC - management company | 1998 | 241 | | 35 | 9 | 9 | 34 | 46 |
| 47 | Offices - management company | 1999 | 608 | | 35 | 22 | 22 | 61 | 47 |
| 48 | Offices - management company | 2000 | 289 | | 35 | 10 | 10 | 23 | 48 |
| 49 | Land improvements - management company | 2002 | 10,824 | | 15 | 661 | 661 | 661 | 49 |
| 50 | Building - management company | 2002 | 252,340 | | 40 | 5,783 | 5,783 | 5,783 | 50 |
| 51 | Sewer & water improvements - management company | 2002 | 5,740 | | 30 | 175 | 175 | 175 | 51 |
| 52 | | | | | | | | | 52 |
| 53 | | | | | | | | | 53 |
| 54 | | | | | | | | | 54 |
| 55 | | | | | | | | | 55 |
| 56 | | | | | | | | | 56 |
| 57 | | | | | | | | | 57 |
| 58 | | | | | | | | | 58 |
| 59 | | | | | | | | | 59 |
| 60 | | | | | | | | | 60 |
| 61 | | | | | | | | | 61 |
| 62 | | | | | | | | | 62 |
| 63 | | | | | | | | | 63 |
| 64 | | | | | | | | | 64 |
| 65 | | | | | | | | | 65 |
| 66 | | | | | | | | | 66 |
| 67 | | | | | | | | | 67 |
| 68 | | | | | | | | | 68 |
| 69 | | | | | | | | | 69 |
| 70 | TOTAL (lines 4 thru 69) | | \$ 6,901,412 | \$ 39,209 | | \$ 215,990 | \$ 176,781 | \$ 2,329,734 | 70 |

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|----|---------------------------------------|---------------------|--------------|------------------------------|------------------|-------------------------------|-------------|-----------------------------|----|
| | Improvement Type** | Year Constructed | Cost | Current Book Depreciation | Life in Years | Straight Line Depreciation | Adjustments | Accumulated Depreciation | |
| 1 | Totals from Page 12A, Carried Forward | | \$ 6,901,412 | \$ 39,209 | | \$ 215,990 | \$ 176,781 | \$ 2,329,734 | 1 |
| 2 | | | | | | | | | 2 |
| 3 | | | | | | | | | 3 |
| 4 | | | | | | | | | 4 |
| 5 | | | | | | | | | 5 |
| 6 | | | | | | | | | 6 |
| 7 | | | | | | | | | 7 |
| 8 | | | | | | | | | 8 |
| 9 | | | | | | | | | 9 |
| 10 | | | | | | | | | 10 |
| 11 | | | | | | | | | 11 |
| 12 | | | | | | | | | 12 |
| 13 | | | | | | | | | 13 |
| 14 | | | | | | | | | 14 |
| 15 | | | | | | | | | 15 |
| 16 | | | | | | | | | 16 |
| 17 | | | | | | | | | 17 |
| 18 | | | | | | | | | 18 |
| 19 | | | | | | | | | 19 |
| 20 | | | | | | | | | 20 |
| 21 | | | | | | | | | 21 |
| 22 | | | | | | | | | 22 |
| 23 | | | | | | | | | 23 |
| 24 | | | | | | | | | 24 |
| 25 | | | | | | | | | 25 |
| 26 | | | | | | | | | 26 |
| 27 | | | | | | | | | 27 |
| 28 | | | | | | | | | 28 |
| 29 | | | | | | | | | 29 |
| 30 | | | | | | | | | 30 |
| 31 | | | | | | | | | 31 |
| 32 | | | | | | | | | 32 |
| 33 | | | | | | | | | 33 |
| 34 | TOTAL (lines 1 thru 33) | | \$ 6,901,412 | \$ 39,209 | | \$ 215,990 | \$ 176,781 | \$ 2,329,734 | 34 |

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete

C. Equipment Depreciation-Excluding Transportation. (See instructions.)

| | Category of Equipment | 1 Cost | Current Book Depreciation 2 | Straight Line Depreciation 3 | 4 Adjustments | Component Life 5 | Accumulated Depreciation 6 | |
|----|-----------------------------------|------------|-----------------------------|------------------------------|------------------|------------------|----------------------------|----|
| 71 | Purchased in Prior Years | \$ 226,054 | \$ 27,302 | \$ 27,302 | \$ | 5-10 years | \$ 177,858 | 71 |
| 72 | Current Year Purchases | 47,651 | 3,030 | 3,030 | | 5-10 years | 3,030 | 72 |
| 73 | Fully Depreciated Assets | 475,239 | | | | | 475,239 | 73 |
| 74 | Allocated from management company | 173,290 | | 17,350 | 17,350 | | 45,327 | 74 |
| 75 | TOTALS | \$ 922,234 | \$ 30,332 | \$ 47,682 | \$ 17,350 | | \$ 701,454 | 75 |

D. Vehicle Depreciation (See instructions.)*

| | 1 Use | Model, Make and Year 2 | Year Acquired 3 | 4 Cost | Current Book Depreciation 5 | Straight Line Depreciation 6 | 7 Adjustments | Life in Years 8 | Accumulated Depreciation 9 | |
|----|-----------------------------------|------------------------|-----------------|-----------|-----------------------------|------------------------------|------------------|-----------------|----------------------------|----|
| 76 | | | | \$ | \$ | \$ | \$ | | \$ | 76 |
| 77 | | | | | | | | | | 77 |
| 78 | | | | | | | | | | 78 |
| 79 | Allocated from management company | | | 33,843 | | 3,781 | 3,781 | | 23,551 | 79 |
| 80 | TOTALS | | | \$ 33,843 | \$ | \$ 3,781 | \$ 3,781 | | \$ 23,551 | 80 |

E. Summary of Care-Related Assets

| | 1 | 2 | |
|----|--|--------------|-------|
| | Reference | Amount | |
| 81 | Total Historical Cost (line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable) | \$ 8,087,066 | 81 |
| 82 | Current Book Depreciation (line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable) | \$ 69,541 | 82 |
| 83 | Straight Line Depreciation (line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable) | \$ 267,453 | 83 ** |
| 84 | Adjustments (line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable) | \$ 197,912 | 84 |
| 85 | Accumulated Depreciation (line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable) | \$ 3,054,739 | 85 |

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)

| | 1 Description & Year Acquired | 2 Cost | Current Book Depreciation 3 | Accumulated Depreciation 4 | |
|----|----------------------------------|-----------|-----------------------------|----------------------------|----|
| 86 | | \$ | \$ | \$ | 86 |
| 87 | | | | | 87 |
| 88 | | | | | 88 |
| 89 | | | | | 89 |
| 90 | | | | | 90 |
| 91 | TOTALS | \$ | \$ | \$ | 91 |

G. Construction-in-Progress

| | Description | Cost | |
|----|-------------|------|----|
| 92 | | \$ | 92 |
| 93 | | | 93 |
| 94 | | | 94 |
| 95 | | \$ | 95 |

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

SEE ACCOUNTANTS' COMPILATION REPORT

1. Name of Party Holding Lease: N/A

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?

☐ YES ☐ NO

10. Effective dates of current rental agreement:

Beginning

Ending

11. Rent to be paid in future years under the current rental agreement:

This amount was calculated by dividing the total amount to be amortized

by the length of the lease _____.

9. Option to Buy: ☐ **YES** ☐ **NO** **Terms:** _____

15. Is Movable equipment rental included in building rental?

16. Rental Amount for movable equipment: \$ 12,508 Description: Copier - \$6,386; Postage meter - \$984; Fax - \$270; Allocated from management compay - \$4,868

☐ YES ☒ NO

(Attach a schedule detailing the breakdown of movable equipment)

| | 1 Use | 2 Model Year and Make | 3 Monthly Lease Payment | 4 Rental Expense for this Period | |
|----|----------|-----------------------------|-------------------------------|--|----|
| 17 | | | \$ | \$ | 17 |
| 18 | | | | | 18 |
| 19 | | | | | 19 |
| 20 | | | | | 20 |
| 21 | TOTAL | | \$ | \$ | 21 |

* If there is an option to buy the building, please provide complete details on attached schedule.

**** This amount plus any amortization of lease expense must agree with page 4, line 34.**

A. TYPE OF TRAINING PROGRAM (If aides are trained in another facility program, attach a schedule listing the facility name, address and cost per aide trained in that facility.)

| | | |
|--|---|--|
| 1. HAVE YOU TRAINED AIDES DURING THIS REPORT PERIOD? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO It is the policy of this facility to only hire certified nurses aides. If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary. | 2. <u>CLASSROOM PORTION:</u> IN-HOUSE PROGRAM <input type="checkbox"/> IN OTHER FACILITY <input type="checkbox"/> COMMUNITY COLLEGE <input type="checkbox"/> HOURS PER AIDE _____ | 3. <u>CLINICAL PORTION:</u> IN-HOUSE PROGRAM <input type="checkbox"/> IN OTHER FACILITY <input type="checkbox"/> HOURS PER AIDE _____ |
|--|---|--|

B. EXPENSES

ALLOCATION OF COSTS (d)

| | | 1 | 2 | 3 | 4 |
|----|---------------------------------|-----------|-----------|----------|-------|
| | | Facility | | | |
| | | Drop-outs | Completed | Contract | Total |
| 1 | Community College Tuition | \$ | \$ | \$ | \$ |
| 2 | Books and Supplies | | | | |
| 3 | Classroom Wages (a) | | | | |
| 4 | Clinical Wages (b) | | | | |
| 5 | In-House Trainer Wages (c) | | | | |
| 6 | Transportation | | | | |
| 7 | Contractual Payments | | | | |
| 8 | Nurse Aide Competency Tests | | | | |
| 9 | TOTALS | \$ | \$ | \$ | \$ |
| 10 | SUM OF line 9, col. 1 and 2 (e) | \$ | | | |

- (a) Include wages paid during the classroom portion of training. Do not include fringe benefits.
 (b) Include wages paid during the clinical portion of training. Do not include fringe benefits.
 (c) For in-house training programs only. Do not include fringe benefits.
 (d) Allocate based on if the aide is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own aides.

C. CONTRACTUAL INCOME

In the box below record the amount of income your facility received training aides from other facilities.

\$ _____

D. NUMBER OF AIDES TRAINED

| COMPLETED | |
|------------------------------|--|
| 1. From this facility | |
| 2. From other facilities (f) | |
| DROP-OUTS | |
| 1. From this facility | |
| 2. From other facilities (f) | |
| TOTAL TRAINED | |

- (e) The total amount of Drop-out and Completed Costs for your own aides must agree with Sch. V, line 13, col. 8.
 (f) Attach a schedule of the facility names and addresses of those facilities for which you trained aides.
 SEE ACCOUNTANTS' COMPILATION REPORT

XIV. SPECIAL SERVICES (Direct Cost) (See instructions.)

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | |
|----|--|--|---------------------|------|---|------------|--------------------------------------|-------------------------------|--------------------------------|----|
| | Service | Schedule V Line & Column Reference | Staff | | Outside Practitioner (other than consultant) | | Supplies (Actual or Allocated) | Total Units (Column 2 + 4) | Total Cost (Col. 3 + 5 + 6) | |
| | | | Units of Service | Cost | Units | Cost | | | | |
| | | | | | | | | | | |
| 1 | Licensed Occupational Therapist | L10A, C3 | hrs | \$ | 15,871 | \$ 227,126 | \$ | 15,871 | \$ 227,126 | 1 |
| 2 | Licensed Speech and Language Development Therapist | L10A, C3 | hrs | | 3,587 | 52,037 | | 3,587 | 52,037 | 2 |
| 3 | Licensed Recreational Therapist | | hrs | | | | | | | 3 |
| 4 | Licensed Physical Therapist | L10A, C3 | hrs | | 28,873 | 365,965 | | 28,873 | 365,965 | 4 |
| 5 | Physician Care | | visits | | | | | | | 5 |
| 6 | Dental Care | | visits | | | | | | | 6 |
| 7 | Work Related Program | | hrs | | | | | | | 7 |
| 8 | Habilitation | | hrs | | | | | | | 8 |
| 9 | Pharmacy | L39, C2 | # of prescripts | | | | 139,298 | | 139,298 | 9 |
| | Psychological Services (Evaluation and Diagnosis/ Behavior Modification) | | hrs | | | | | | | 10 |
| 11 | Academic Education | | hrs | | | | | | | 11 |
| 12 | Exceptional Care Program | | | | | | | | | 12 |
| 13 | Other (specify): See attached Schedule D | | | | | 37,083 | | | 37,083 | 13 |
| 14 | TOTAL | | | \$ | 48,331 | \$ 682,211 | \$ 139,298 | 48,331 | \$ 821,509 | 14 |

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as nurse aides, who help with the above activities should not be listed on this schedule.

SEE ACCOUNTANTS' COMPILATION REPORT

Lexington of Schaumburg

Provider #: 0036095

01/01/02 to 12/31/02

Schedule D

Schedule XIV. Special Services

Line 13, Other

| Service | Cost | Line Reference |
|----------------|---------------|-------------------|
| Clinitron Beds | 7,603 | L 39, C 3 |
| Oxygen | 24,335 | L 39, C 3 |
| Laboratory | 2,482 | L 39, C 3 |
| Radiology | 2,663 | L 39, C 3 |
| Total | <u>37,083</u> | |

See Accountants' Compilation Report

STATE OF ILLINOIS

Page 17

Facility Name & ID Number Lexington of Schaumburg
 XV. BALANCE SHEET - Unrestricted Operating Fund.

0036095
 As of 12/31/02

Report Period Beginning: 01/01/02
 (last day of reporting year)

Ending: 12/31/02

This report must be completed even if financial statements are attached.

| | | 1 Operating | 2 After Consolidation* | |
|----|---|----------------|------------------------------|----|
| | A. Current Assets | | | |
| 1 | Cash on Hand and in Banks | \$ 518,378 | \$ 523,943 | 1 |
| 2 | Cash-Patient Deposits | | | 2 |
| 3 | Accounts & Short-Term Notes Receivable- Patients (less allowance 524,841) | 2,287,738 | 2,287,738 | 3 |
| 4 | Supply Inventory (priced at) | | | 4 |
| 5 | Short-Term Investments | | | 5 |
| 6 | Prepaid Insurance | 75,566 | 75,566 | 6 |
| 7 | Other Prepaid Expenses | | | 7 |
| 8 | Accounts Receivable (owners or related parties) | 47,804 | 46,442 | 8 |
| 9 | Other(specify): | | | 9 |
| 10 | TOTAL Current Assets (sum of lines 1 thru 9) | \$ 2,929,486 | \$ 2,933,689 | 10 |
| | B. Long-Term Assets | | | |
| 11 | Long-Term Notes Receivable | | | 11 |
| 12 | Long-Term Investments | 33,011 | 33,011 | 12 |
| 13 | Land | | 229,577 | 13 |
| 14 | Buildings, at Historical Cost | | 5,865,346 | 14 |
| 15 | Leasehold Improvements, at Historical Cost | 721,826 | 1,036,066 | 15 |
| 16 | Equipment, at Historical Cost | 284,439 | 956,077 | 16 |
| 17 | Accumulated Depreciation (book methods) | (248,269) | (3,054,739) | 17 |
| 18 | Deferred Charges | | 539 | 18 |
| 19 | Organization & Pre-Operating Costs | | | 19 |
| 20 | Accumulated Amortization - Organization & Pre-Operating Costs | | | 20 |
| 21 | Restricted Funds | | | 21 |
| 22 | Other Long-Term Assets (specify): | | | 22 |
| 23 | Other(specify): See attached schedule E | | 161,619 | 23 |
| 24 | TOTAL Long-Term Assets (sum of lines 11 thru 23) | \$ 791,007 | \$ 5,227,496 | 24 |
| 25 | TOTAL ASSETS (sum of lines 10 and 24) | \$ 3,720,493 | \$ 8,161,185 | 25 |

| | | 1 Operating | 2 After Consolidation* | |
|----|---|----------------|------------------------------|----|
| | C. Current Liabilities | | | |
| 26 | Accounts Payable | \$ 322,069 | \$ 322,069 | 26 |
| 27 | Officer's Accounts Payable | | | 27 |
| 28 | Accounts Payable-Patient Deposits | 617,310 | 617,310 | 28 |
| 29 | Short-Term Notes Payable | 500,000 | 500,000 | 29 |
| 30 | Accrued Salaries Payable | 330,512 | 330,512 | 30 |
| 31 | Accrued Taxes Payable (excluding real estate taxes) | 2,635 | 2,635 | 31 |
| 32 | Accrued Real Estate Taxes(Sch.IX-B) | | 426,000 | 32 |
| 33 | Accrued Interest Payable | | 48,358 | 33 |
| 34 | Deferred Compensation | | | 34 |
| 35 | Federal and State Income Taxes | | | 35 |
| | Other Current Liabilities(specify): | | | |
| 36 | See attached Schedule E | 349,938 | 99,799 | 36 |
| 37 | | | | 37 |
| 38 | TOTAL Current Liabilities (sum of lines 26 thru 37) | \$ 2,122,464 | \$ 2,346,683 | 38 |
| | D. Long-Term Liabilities | | | |
| 39 | Long-Term Notes Payable | | | 39 |
| 40 | Mortgage Payable | | 6,005,000 | 40 |
| 41 | Bonds Payable | | | 41 |
| 42 | Deferred Compensation | | | 42 |
| | Other Long-Term Liabilities(specify): | | | |
| 43 | Interest rate swap liability | | 621,494 | 43 |
| 44 | | | | 44 |
| 45 | TOTAL Long-Term Liabilities (sum of lines 39 thru 44) | \$ | \$ 6,626,494 | 45 |
| 46 | TOTAL LIABILITIES (sum of lines 38 and 45) | \$ 2,122,464 | \$ 8,973,177 | 46 |
| 47 | TOTAL EQUITY (page 18, line 24) | \$ 1,598,029 | \$ (811,992) | 47 |
| 48 | TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47) | \$ 3,720,493 | \$ 8,161,185 | 48 |

SEE ACCOUNTANTS' COMPILATION REPORT

*(See instructions.)

Lexington of Schaumburg
Provider # 0036095
1/1/02 - 12/31/02

Schedule E

XV. Balance Sheet

B. Long-Term Assets

23. Other Long-Term Assets

| <u>Description</u> | <u>Operating</u> | <u>Consolidation</u> |
|----------------------------|------------------|----------------------|
| Unamortized mortgage costs | - | 161,619 |
| | | |
| Total Line 23 | - | 161,619 |

C. Current Liabilities

36. Other Current Liabilities

| <u>Description</u> | <u>Operating</u> | <u>After Consolidation</u> |
|------------------------------|------------------|--------------------------------|
| Accrued rent | 250,139 | - |
| Accrued management fees | 27,375 | 27,375 |
| Accrued 401 (k) contribution | 21,465 | 21,465 |
| Other accrued expenses | 50,959 | 50,959 |
| | | |
| Total line 36 | 349,938 | 99,799 |

XVII. Income Statement

E. Other Revenue

28. Other Revenue

| <u>Description</u> | <u>Amount</u> |
|----------------------------------|---------------|
| Miscellaneous Income | 494 |
| Bed hold, early discharge Income | 8,132 |
| | |
| Total line 28 | 8,626 |

See Accountants' Compilation Report

| | | 1 Total | |
|----|--|--------------|------|
| 1 | Balance at Beginning of Year, as Previously Reported | \$ 2,207,937 | 1 |
| 2 | Restatements (describe): | | 2 |
| 3 | Prior period adjustment | (109,491) | 3 |
| 4 | Prior year post closing entries | (295,007) | 4 |
| 5 | | | 5 |
| 6 | Balance at Beginning of Year, as Restated (sum of lines 1-5) | \$ 1,803,439 | 6 |
| | A. Additions (deductions): | | |
| 7 | NET Income (Loss) (from page 19, line 43) | 694,590 | 7 |
| 8 | Aquisitions of Pooled Companies | | 8 |
| 9 | Proceeds from Sale of Stock | | 9 |
| 10 | Stock Options Exercised | | 10 |
| 11 | Contributions and Grants | | 11 |
| 12 | Expenditures for Specific Purposes | | 12 |
| 13 | Dividends Paid or Other Distributions to Owners | (900,000) | 13 |
| 14 | Donated Property, Plant, and Equipment | | 14 |
| 15 | Other (describe) | | 15 |
| 16 | Other (describe) | | 16 |
| 17 | TOTAL Additions (deductions) (sum of lines 7-16) | \$ (205,410) | 17 |
| | B. Transfers (Itemize): | | |
| 18 | | | 18 |
| 19 | | | 19 |
| 20 | | | 20 |
| 21 | | | 21 |
| 22 | | | 22 |
| 23 | TOTAL Transfers (sum of lines 18-22) | \$ | 23 |
| 24 | BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23) | \$ 1,598,029 | 24 * |

Operating Entity Only

* This must agree with page 17, line 47.

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Page 19

Facility Name & ID Number Lexington of Schaumburg

0036095

Report Period Beginning: 01/01/02

Ending:

12/31/02

XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.

Note: This schedule should show gross revenue and expenses. Do not net revenue against expense.

| 1 | | | |
|--|---|---------------|-----|
| | Revenue | Amount | |
| A. Inpatient Care | | | |
| 1 | Gross Revenue -- All Levels of Care | \$ 10,060,699 | 1 |
| 2 | Discounts and Allowances for all Levels | (411,165) | 2 |
| 3 | SUBTOTAL Inpatient Care (line 1 minus line 2) | \$ 9,649,534 | 3 |
| B. Ancillary Revenue | | | |
| 4 | Day Care | | 4 |
| 5 | Other Care for Outpatients | | 5 |
| 6 | Therapy | 1,045,732 | 6 |
| 7 | Oxygen | 1,764 | 7 |
| 8 | SUBTOTAL Ancillary Revenue (lines 4 thru 7) | \$ 1,047,496 | 8 |
| C. Other Operating Revenue | | | |
| 9 | Payments for Education | | 9 |
| 10 | Other Government Grants | | 10 |
| 11 | Nurses Aide Training Reimbursements | | 11 |
| 12 | Gift and Coffee Shop | 19,051 | 12 |
| 13 | Barber and Beauty Care | 28,419 | 13 |
| 14 | Non-Patient Meals | 393 | 14 |
| 15 | Telephone, Television and Radio | 32 | 15 |
| 16 | Rental of Facility Space | | 16 |
| 17 | Sale of Drugs | 159,309 | 17 |
| 18 | Sale of Supplies to Non-Patients | | 18 |
| 19 | Laboratory | 15,414 | 19 |
| 20 | Radiology and X-Ray | 3,140 | 20 |
| 21 | Other Medical Services | 28,021 | 21 |
| 22 | Laundry | 2,794 | 22 |
| 23 | SUBTOTAL Other Operating Revenue (lines 9 thru 22) | \$ 256,573 | 23 |
| D. Non-Operating Revenue | | | |
| 24 | Contributions | | 24 |
| 25 | Interest and Other Investment Income*** | 1,330 | 25 |
| 26 | SUBTOTAL Non-Operating Revenue (lines 24 and 25) | \$ 1,330 | 26 |
| E. Other Revenue (specify):**** | | | |
| 27 | Settlement Income (Insurance, Legal, Etc.) | | 27 |
| 28 | See attached Schedule E | 8,626 | 28 |
| 28a | | | 28a |
| 29 | SUBTOTAL Other Revenue (lines 27, 28 and 28a) | \$ 8,626 | 29 |
| 30 | TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29) | \$ 10,963,559 | 30 |

| 2 | | | |
|-------------------------------------|--|---------------|----|
| | Expenses | Amount | |
| A. Operating Expenses | | | |
| 31 | General Services | 1,445,039 | 31 |
| 32 | Health Care | 4,772,614 | 32 |
| 33 | General Administration | 2,136,852 | 33 |
| B. Capital Expense | | | |
| 34 | Ownership | 1,679,331 | 34 |
| C. Ancillary Expense | | | |
| 35 | Special Cost Centers | 112,493 | 35 |
| 36 | Provider Participation Fee | 122,640 | 36 |
| D. Other Expenses (specify): | | | |
| 37 | | | 37 |
| 38 | | | 38 |
| 39 | | | 39 |
| 40 | TOTAL EXPENSES (sum of lines 31 thru 39)* | \$ 10,268,969 | 40 |
| 41 | Income before Income Taxes (line 30 minus line 40)** | 694,590 | 41 |
| 42 | Income Taxes | | 42 |
| 43 | NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42) | \$ 694,590 | 43 |

* This must agree with page 4, line 45, column 4.

** Does this agree with taxable income (loss) per Federal Income Tax Return? No If not, please attach a reconciliation.
This entity files a cash basis tax return.

*** See the instructions. If this total amount has not been offset against interest expense on Schedule V, line 32, please include a detailed explanation. SEE ACCOUNTANTS' COMPILATION REPORT

****Provide a detailed breakdown of "Other Revenue" on an attached sheet.

Facility Name & ID Number **Lexington of Schaumburg**# **0036095**Report Period Beginning: **01/01/02**Ending: **12/31/02**

12/31/02

XVIII. A. STAFFING AND SALARY COSTS (Please report each line separately.)

(This schedule must cover the entire reporting period.)

| | | 1 | 2** | 3 | 4 | |
|----|-------------------------------|---------------------------------|----------------------------------|--|---------------------------|----|
| | | # of Hrs. Actually Worked | # of Hrs. Paid and Accrued | Reporting Period Total Salaries, Wages | Average Hourly Wage | |
| 1 | Director of Nursing | 2,229 | 2,229 | \$ 74,657 | \$ 33.49 | 1 |
| 2 | Assistant Director of Nursing | 3,498 | 3,561 | 104,288 | 29.29 | 2 |
| 3 | Registered Nurses | 49,062 | 52,479 | 1,428,165 | 27.21 | 3 |
| 4 | Licensed Practical Nurses | 14,816 | 15,849 | 372,827 | 23.52 | 4 |
| 5 | Nurse Aides & Orderlies | 107,852 | 112,424 | 1,396,249 | 12.42 | 5 |
| 6 | Nurse Aide Trainees | | | | | 6 |
| 7 | Licensed Therapist | | | | | 7 |
| 8 | Rehab/Therapy Aides | 8,710 | 9,579 | 135,315 | 14.13 | 8 |
| 9 | Activity Director | 2,942 | 2,975 | 38,830 | 13.05 | 9 |
| 10 | Activity Assistants | 18,956 | 19,842 | 157,612 | 7.94 | 10 |
| 11 | Social Service Workers | 3,678 | 3,938 | 77,225 | 19.61 | 11 |
| 12 | Dietician | | | | | 12 |
| 13 | Food Service Supervisor | 1,572 | 1,706 | 23,961 | 14.05 | 13 |
| 14 | Head Cook | 1,987 | 2,075 | 24,065 | 11.60 | 14 |
| 15 | Cook Helpers/Assistants | 14,705 | 15,765 | 142,845 | 9.06 | 15 |
| 16 | Dishwashers | 17,369 | 18,167 | 115,907 | 6.38 | 16 |
| 17 | Maintenance Workers | 4,474 | 4,728 | 79,403 | 16.79 | 17 |
| 18 | Housekeepers | 39,800 | 42,127 | 284,646 | 6.76 | 18 |
| 19 | Laundry | 8,943 | 9,308 | 57,665 | 6.20 | 19 |
| 20 | Administrator | 1,848 | 2,188 | 101,612 | 46.44 | 20 |
| 21 | Assistant Administrator | | | | | 21 |
| 22 | Other Administrative | 737 | 737 | 98,559 | 133.73 | 22 |
| 23 | Office Manager | | | | | 23 |
| 24 | Clerical | 23,210 | 24,939 | 440,616 | 17.67 | 24 |
| 25 | Vocational Instruction | | | | | 25 |
| 26 | Academic Instruction | | | | | 26 |
| 27 | Medical Director | | | | | 27 |
| 28 | Qualified MR Prof. (QMRP) | | | | | 28 |
| 29 | Resident Services Coordinator | | | | | 29 |
| 30 | Habilitation Aides (DD Homes) | | | | | 30 |
| 31 | Medical Records | | | | | 31 |
| 32 | Other Health Care(specify) | | | | | 32 |
| 33 | Other(specify) | | | | | 33 |
| 34 | TOTAL (lines 1 - 33) | 326,388 | 344,616 | \$ 5,154,447 * | \$ 14.96 | 34 |

* This total must agree with page 4, column 1, line 45.

** See instructions.

B. CONSULTANT SERVICES

| | | 1 | 2 | 3 | |
|----|-----------------------------------|--|---|---|----|
| | | Number of Hrs. Paid & Accrued | Total Consultant Cost for Reporting Period | Schedule V Line & Column Reference | |
| 35 | Dietary Consultant | 229 | \$ 13,114 | L1, C3 | 35 |
| 36 | Medical Director | Monthly | 24,000 | L9, C3 | 36 |
| 37 | Medical Records Consultant | 17 | 825 | L10, C3 | 37 |
| 38 | Nurse Consultant | 10 | 570 | L10, C3 | 38 |
| 39 | Pharmacist Consultant | Monthly | 1,200 | L10, C3 | 39 |
| 40 | Physical Therapy Consultant | | | | 40 |
| 41 | Occupational Therapy Consultant | | | | 41 |
| 42 | Respiratory Therapy Consultant | | | | 42 |
| 43 | Speech Therapy Consultant | | | | 43 |
| 44 | Activity Consultant | Monthly | 3,384 | L11, C3 | 44 |
| 45 | Social Service Consultant | Monthly | 2,711 | L12, C3 | 45 |
| 46 | Other(specify) Utilization Review | 1 | 250 | L10, C3 | 46 |
| 47 | | | | | 47 |
| 48 | | | | | 48 |
| 49 | TOTAL (lines 35 - 48) | 257 | \$ 46,054 | | 49 |

C. CONTRACT NURSES

| | | 1 | 2 | 3 | |
|----|---------------------------|--|----------------------------|---|----|
| | | Number of Hrs. Paid & Accrued | Total Contract Wages | Schedule V Line & Column Reference | |
| 50 | Registered Nurses | | \$ | | 50 |
| 51 | Licensed Practical Nurses | 15 | 259 | L10, C3 | 51 |
| 52 | Nurse Aides | 1,606 | 25,703 | L10, C3 | 52 |
| 53 | TOTAL (lines 50 - 52) | 1,621 | \$ 25,962 | | 53 |

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Schaumburg

0036095

Report Period Beginning: 01/01/02

Ending: 12/31/02

XIX. SUPPORT SCHEDULES

| A. Administrative Salaries | | Ownership % | Amount | D. Employee Benefits and Payroll Taxes | | Amount | F. Dues, Fees, Subscriptions and Promotions | | |
|--|-----------------------|-------------|------------|--|--------|------------|---|----------|-----------|
| Name | Function | | | Description | | | Description | Amount | |
| Vicki Andersen | Administrator | 0.00% | \$ 21,992 | Workers' Compensation Insurance | \$ | 97,132 | IDPH License Fee | \$ | |
| Karen Scales | Administrator | 0.00% | 79,620 | Unemployment Compensation Insurance | | 22,845 | Advertising: Employee Recruitment | 30,962 | |
| John Samatas | Admin/Plant Ops | 22.33% | 17,734 | FICA Taxes | | 378,906 | Health Care Worker Background Check | | |
| James Samatas | Administrative | 22.33% | 39,901 | Employee Health Insurance | | 154,939 | (Indicate # of checks performed 41) | 486 | |
| Cynthia Thiem | Administrative | 22.34% | 22,167 | Employee Meals | | 11,860 | Miscellaneous Licenses & Permits | 1,370 | |
| George Samatas | Administrative | 0.00% | 5,320 | Illinois Municipal Retirement Fund (IMRF)* | | | Miscellaneous Dues & Subscriptions | 2,093 | |
| Jason Samatas | Administrative | 0.00% | 13,437 | 401(k) Contributions | | 24,840 | | | |
| TOTAL (agree to Schedule V, line 17, col. 1) | | | | Employee Transportation | | 37,530 | | | |
| (List each licensed administrator separately.) | | | \$ 200,171 | Other Employee Benefits | | 14,030 | | | |
| B. Administrative - Other | | | | | | | Allocated from management company | 817 | |
| Description | | Amount | | | | | Less: Public Relations Expense | () | |
| Management fees (eliminated in column 7) | | \$ 425,425 | | | | | Non-allowable advertising | () | |
| | | | | | | | Yellow page advertising | () | |
| | | | | | | | | | |
| TOTAL (agree to Schedule V, line 17, col. 3) | | | \$ 425,425 | TOTAL (agree to Schedule V, line 22, col.8) | | \$ 742,082 | TOTAL (agree to Sch. V, line 20, col. 8) | | \$ 35,728 |
| (Attach a copy of any management service agreement) | | | | E. Schedule of Non-Cash Compensation Paid to Owners or Employees | | | G. Schedule of Travel and Seminar** | | |
| C. Professional Services | | | | Description | Line # | Amount | Description | Amount | |
| Vendor/Payee | Type | Amount | | | | | | | |
| American Express Tax & Bus. Sys. | Accounting | \$ 5,709 | | N/A | | | Out-of-State Travel | \$ | |
| Altschuler, Melvoin & Glasser LLP | Accounting | 21,020 | | | | | | | |
| ING | 401(k) administration | 720 | | | | | In-State Travel | | |
| Family Center for Elder Law | Legal | 3,250 | | | | | | | |
| Freedman, Anselmo & Lindberg | Collections | 23,548 | | | | | | | |
| Personnel Planners | U/C Consulting | 2,085 | | | | | Seminar Expense | 2,858 | |
| James Samatas | Legal | 50 | | | | | | | |
| Sachnoff & Weaver | Legal | 7,089 | | | | | Allocated from management company | 3,232 | |
| Systematic Management Systems | Billing Consultant | 169 | | | | | Entertainment Expense | () | |
| Harris, Kessler & Goldstein | Legal | 2,589 | | | | | (agree to Sch. V, line 24, col. 8) | | |
| See attached Schedule F | | 7,807 | | | | | TOTAL | \$ 6,090 | |
| TOTAL (agree to Schedule V, line 19, column 3) | | | | TOTAL | | \$ | | | |
| (If total legal fees exceed \$2500 attach copy of invoices.) | | | \$ 74,036 | | | | | | |

* Attach copy of IMRF notifications
SEE ACCOUNTANTS' COMPILATION REPORT

**See instructions.

Lexington of Schaumburg**Provider #: 0036095****01/01/02 to 12/31/02****Schedule F**

XIX. Support Schedules

C. Professional Services

| <u>Vendor/Payee</u> | <u>Type</u> | <u>Amount</u> |
|---|--|----------------------|
| Internet Presence Consulting | Computer Consulting | 711 |
| Katten, Muchin, Zavis and Rosenman | Legal | 868 |
| Eric Haider | Fine Dining Consultant | 122 |
| Carol Jeschke | Staffing Consultant | 738 |
| Glantz - Richman | Rehabilitation Consultant | 350 |
| Action Computer Services, Inc. | Computer Consulting | 324 |
| Answers on Demand | Computer Consulting | 3,247 |
| Gigatrend, Inc. | Computer Consulting | 195 |
| Information Controls, Inc. | Computer Consulting | 1,252 |
| Total Other Professional Services | | <u>7,807</u> |
| Total, Agrees to Schedule V, Line 19, Column 3 | | 74,036 |
| Allocated from management co. | | |
| Altschuler, Melvoin & Glasser, LLP/ | | |
| American Express Tax & Business Services | Accounting | 808 |
| Brekke Consulting, Inc. | Exec. Counsel Consulting | 187 |
| Gilson, Labus and Silverman | Accounting | 50 |
| James Samatas | Legal | 22 |
| Katten, Muchin, Zavis and Rosenman | Legal | 245 |
| Sachnoff and Weaver | Legal | 134 |
| ING / Pension Administrators / Aetna Life Insurance & Annuity Co. | 401 (k) Administration | 600 |
| Various | Consulting | 125 |
| Various | Computer Consulting | 8,509 |
| Allocated from building partnership | | |
| McCracken, Walsh, de LaVan & Hetler | Legal - related to real estate tax refund | 3,809 |
| LaSalle Appraisal Group, Inc. | Appraisal | 4,000 |
| James Samatas, Attorney at Law | Legal | 113 |
| Nonallowable legal fees | | |
| Freedman, Anselmo, & Lindberg | Legal-collection fees | (23,548) |
| Sachnoff and Weaver | Legal-out of period | (3,400) |
| Reclassifications | | |
| McCracken, Walsh, de LaVan & Hetler | Legal - related to real estate tax refund | (3,809) |
| Total, Agrees to Schedule V, Line 19, Column 8 | | <u><u>61,881</u></u> |

See Accountants' Compilation Report.

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

| 1 | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|----|-----------------------|-----------------------------------|------------|-------------|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Improvement Type | Month & Year Improvement Was Made | Total Cost | Useful Life | Amount of Expense Amortized Per Year | | | | | | | | |
| | | | | | FY1999 | FY2000 | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 | FY2006 | FY2007 |
| 1 | Painting & decorating | Oct-99 | \$ 1,524 | 3 yrs | \$ 254 | \$ 508 | \$ 508 | \$ 254 | \$ | \$ | \$ | \$ | \$ |
| 2 | Painting & decorating | Various 2001 | 1,078 | 3 yrs | | | 180 | 359 | 359 | 180 | | | |
| 3 | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | |
| 9 | | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | | |
| 11 | | | | | | | | | | | | | |
| 12 | | | | | | | | | | | | | |
| 13 | | | | | | | | | | | | | |
| 14 | | | | | | | | | | | | | |
| 15 | | | | | | | | | | | | | |
| 16 | | | | | | | | | | | | | |
| 17 | | | | | | | | | | | | | |
| 18 | | | | | | | | | | | | | |
| 19 | | | | | | | | | | | | | |
| 20 | TOTALS | | \$ 2,602 | | \$ 254 | \$ 508 | \$ 688 | \$ 613 | \$ 359 | \$ 180 | \$ | \$ | \$ |

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Schaumburg

STATE OF ILLINOIS

0036095

Report Period Beginning:

01/01/02

Ending:

Page 23

12/31/02

XX. GENERAL INFORMATION:

- (1) Are nursing employees (RN,LPN,NA) represented by a union? No
- (2) Are there any dues to nursing home associations included on the cost report? No
If YES, give association name and amount. N/A
- (3) Did the nursing home make political contributions or payments to a political organization? No If YES, have these costs been properly adjusted out of the cost report? N/A
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? No If YES, what is the capacity? N/A
- (5) Have you properly capitalized all major repairs and equipment purchases? N/A
What was the average life used for new equipment added during this period? 7.5 years
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 67,780 Line 10
- (7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? Yes If NO, attach a complete explanation.
- (8) Are you presently operating under a sale and leaseback arrangement? No
If YES, give effective date of lease. N/A
- (9) Are you presently operating under a sublease agreement? YES x NO
- (10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES NO x If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over N/A
- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department of Public Aid during this cost report period. \$ 122,640
This amount is to be recorded on line 42 of Schedule V.
- (12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? No If YES, attach an explanation of the allocation.

SEE ACCOUNTANTS' COMPILATION REPORT

- (13) Have costs for all supplies and services which are of the type that can be billed to the Department of Public Aid, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? Yes
- (14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? No For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions
- (15) Indicate the cost of employee meals that has been reclassified to employee benefit: on Schedule V. \$ 11,860 Has any meal income been offset against related costs? Yes Indicate the amount. \$ 393
- (16) Travel and Transportation
a. Are there costs included for out-of-state travel? No
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? No If YES, please indicate the amount of income earned from such a program during this reporting period. \$ N/A
c. What percent of all travel expense relates to transportation of nurses and patients? 0%
d. Have vehicle usage logs been maintained? Adequate records have been maintained.
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? Yes
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? N/A
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such transportation during this reporting period. \$ N/A
- (17) Has an audit been performed by an independent certified public accounting firm? No
Firm Name: N/A The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? N/A If no, please explain. N/A
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? Yes
- (19) If total legal fees are in excess of \$2500, have legal invoices and a summary of services performed been attached to this cost report? Yes
Attach invoices and a summary of services for all architect and appraisal fees.

RECONCILIATION REPORT

Lexington of Schaumbur

03:22 PM

11/04/05

| ITEM | Value 1 | Cond. | Value 2 | Difference | RESULTS | COMPARE CEL | SUB- SCHED. | LINE NO. | COL. NO. | WITH CELL | SUB- SCHED. | LINE NO. | COL. NO. |
|--------------------------------------|-----------|-----------|-----------|------------|---------|-----------------|----------------|------------------|-------------|------------------|----------------|-------------|-------------|
| Adjustment Detail | -900,256 | equal to | -900,256 | 0 | O.K. | Pg5 Z22 | B. | 37 | 1 | Pg4 K29 | N/A | 45 | 7 |
| Interest Expense | 332,373 | equal to | 332,373 | 0 | O.K. | Pg9 P34 | A. | 15 | 10 | Pg4 L13 | N/A | 32 | 8 |
| Real Estate Tax Expenses | 402,091 | equal to | 402,091 | 0 | O.K. | Pg10 W24 | B. | 5 | N/A | Pg4 L14 | N/A | 33 | 8 |
| Amortization exp. Pre-opening & org. | N/A | equal to | 0 | #VALUE! | #VALUE! | Pg11 I33 | E. | 3 | N/A | Pg4 L12 | N/A | 31 | 8 |
| Ownership Costs-Depreciation | 267,453 | equal to | 267,453 | 0 | O.K. | Pg13 Y28 | E. | 49 | 2 | Pg4 L11 | N/A | 30 | 8 |
| Rental Costs A | 0 | equal to | 0 | 0 | O.K. | Pg14 L20+N22 | A. | 7 + 8 | 4+N/A | Pg4 L15 | N/A | 34 | 8 |
| Rental Costs B | 12,508 | equal to | 12,508 | 0 | O.K. | Pg14 J30+N40 | B. + C. | 16+21 | N/A+4 | Pg4 L16 | N/A | 35 | 8 |
| Nurse Aid Training Prog. | 0 | equal to | 0 | 0 | O.K. | Pg15 L36 | B. | 10 | 1 | Pg3 L23 | N/A | 13 | 8 |
| Special Serv. - Staff Wages | | equal to | | 0 | O.K. | Pg16 N32 | N/A | 14 | 3 | Pg4 E22 | N/A | 39 | 1 |
| Therapy Services | 645,128 | equal to | 645,128 | 0 | O.K. | Pg16 Z12+Z14... | N/A/B | 1-4,40-43 | 8;2 | Pg3 H20 | N/A | 10a | 4 |
| Special Serv. - Supplies | 139,298 | equal to | #VALUE! | #VALUE! | #VALUE! | Pg16 V32 | N/A | 14 | 6 | Pg4 F22 + Pg 3 | N/A | 39,10a | 2 |
| Income Stat. General Serv. | 1,445,039 | equal to | 1,445,039 | 0 | O.K. | Pg19 P11 | N/A | 31 | 2 | Pg3 H16 | N/A | 8 | 4 |
| Income Stat. Health Care | 4,772,614 | equal to | 4,772,614 | 0 | O.K. | Pg19 P12 | N/A | 32 | 2 | Pg3 H26 | N/A | 16 | 4 |
| Income Stat. Admininstation | 2,136,852 | equal to | 2,136,852 | 0 | O.K. | Pg19 P13 | N/A | 33 | 2 | Pg3 H39 | N/A | 28 | 4 |
| Income Stat. Ownership | 1,679,331 | equal to | 1,679,331 | 0 | O.K. | Pg19 P15 | N/A | 34 | 2 | Pg4 H18 | N/A | 37 | 4 |
| Income Stat. Special Cost Ctr | 112,493 | equal to | 112,493 | 0 | O.K. | Pg19 P17 | N/A | 35 | 2 | Pg4 H21..H24+† | N/A | 38to41+43 | 4 |
| Income Stat. Prov. Partic. | 122,640 | equal to | 122,640 | 0 | O.K. | Pg19 P18 | N/A | 36 | 2 | Pg4 H25 | N/A | 42 | 4 |
| Staff- Nursing | 3,376,186 | equal to | 3,511,501 | -135,315 | FAILED | Pg20 K11..K15+ | A. | 1-5,24,25,27-30 | 3 | Pg3 E19 | N/A | 10 | 1 |
| Staff- Nurse aide Training | 0 | < or = to | 0 | 0 | O.K. | Pg20 K16 | A. | 6 | 3 | Pg3 E23 | N/A | 13 | 1 |
| Staff-Licensed Therapist | 0 | equal to | 0 | 0 | O.K. | Pg20 K17 | A. | 7 | 3 | Pg4 E22 | N/A | 39 | 1 |
| Staff- Activities | 196,442 | equal to | 196,442 | 0 | O.K. | Pg20 K19+K20 | A. | 9+10 | 3 | Pg3 E21 | N/A | 11 | 1 |
| Staff- Social Serv. Workers | 77,225 | equal to | 77,225 | 0 | O.K. | Pg20 K21 | A. | 11 | 3 | Pg3 E22 | N/A | 12 | 1 |
| Staff- Dietary | 306,778 | equal to | 306,778 | 0 | O.K. | Pg20 K22..K26 | A. | 16-Dec | 3 | Pg3 E9 | N/A | 1 | 1 |
| Staff- Maintenance | 79,403 | equal to | 79,403 | 0 | O.K. | Pg20 K27 | A. | 17 | 3 | Pg3 E14 | N/A | 6 | 1 |
| Staff- Housekeeping | 284,646 | equal to | 284,646 | 0 | O.K. | Pg20 K28 | A. | 18 | 3 | Pg3 E11 | N/A | 3 | 1 |
| Staff- Laundry | 57,665 | equal to | 57,665 | 0 | O.K. | Pg20 K29 | A. | 19 | 3 | Pg3 E12 | N/A | 4 | 1 |
| Staff- Administrative | 200,171 | equal to | 200,171 | 0 | O.K. | Pg20 K30..K32 | A. | 20-22 | 3 | Pg3 E28 | N/A | 17 | 1 |
| Staff- Clerical | 440,616 | equal to | 440,616 | 0 | O.K. | Pg20 K33..K34 | A. | 23+24 | 3 | Pg3 E32 | N/A | 21 | 1 |
| Staff- Medical Director | 0 | equal to | 0 | 0 | O.K. | Pg20 K37 | A. | 27 | 3 | Pg3 E18 | N/A | 9 | 1 |
| Total Salaries And Wages | 5,154,447 | equal to | 5,154,447 | 0 | O.K. | Pg20 K44 | A. | 34 | 3 | Pg4 E29 | N/A | 45 | 1 |
| Dietary Consultant | 13,114 | < or = to | 13,114 | 0 | O.K. | Pg20 X12 | B. | 35 | 2 | Pg3 G9 | N/A | 1 | 3 |
| Medical Director | 24,000 | < or = to | 24,000 | 0 | O.K. | Pg20 X13 | B. | 36 | 2 | Pg3 G18 | N/A | 9 | 3 |
| Consultants & contractors | 28,557 | < or = to | 28,807 | -250 | O.K. | Pg20 X14..X16+ | B. & C. | 37to39 and 50to5 | 2 | Pg3 G19 | N/A | 10 | 3 |
| Activity Consultant | 3,384 | < or = to | 3,384 | 0 | O.K. | Pg20 X21 | B. | 44 | 2 | Pg3 G21 | N/A | 11 | 3 |
| Social Service Consultant | 2,711 | < or = to | 2,711 | 0 | O.K. | Pg20 X22 | B. | 45 | 2 | Pg3 G22 | N/A | 12 | 3 |
| Supp. Sched.- Admin. Salar. | 200,171 | equal to | 200,171 | 0 | O.K. | Pg21 I16 | A. | N/A | N/A | Pg3 E28 | N/A | 17 | 1 |
| Supp. Sched.- Admin. Other | 425,425 | equal to | 425,425 | 0 | O.K. | Pg21 I24 | B. | N/A | N/A | Pg3 G28 | N/A | 17 | 3 |
| Supp. Sched.- Prof. Serv. | 74,036 | equal to | 74,036 | 0 | FAILED | Pg21 I41 | C. | N/A | N/A | Pg3 G30 | N/A | 19 | 3 |
| Supp. Sched.- Benefit/Taxes | 742,082 | equal to | 742,082 | 0 | O.K. | Pg21 P22 | D. | N/A | N/A | Pg3 L33 | N/A | 22 | 8 |
| Supp. Sched.- Sched of dues.. | 35,728 | equal to | 35,728 | 0 | O.K. | Pg21 V22 | F. | N/A | N/A | Pg3 L31 | N/A | 20 | 8 |
| Supp. Sched.- Sched. of trav | 6,090 | equal to | 6,090 | 0 | O.K. | Pg21 V41 | G. | N/A | N/A | Pg3 L35 | N/A | 24 | 8 |
| Gen. Info - Particip. Fees | 122,640 | equal to | 122,640 | 0 | O.K. | Pg23 I38 | N/A | 11 | N/A | Pg4 G25 | N/A | 42 | 3 |
| Gen. Info - Employee Meals | 11,860 | < or = to | 72,440 | -60,580 | O.K. | Pg23 S16 | N/A | 16 | N/A | Pg3 K33 | N/A | 2 & 22 | 7 |
| Gen. Info - Employee Meals | 11,860 | equal to | 11,860 | 0 | O.K. | Pg23 S16 | N/A | 16 | N/A | Pg21 P12 | D. | N/A | N/A |
| Nurse aide training | 0 | equal to | 0 | 0 | O.K. | Pg15 U29..U31 | B. | 3, 4 & 5 | 4 | Pg3 E23 | N/A | 13 | 1 |
| Days of medicare provided | 6,121 | equal to | 10,133 | -4,012 | FAILED | Pg2 AB29 | K. | N/A | N/A | Pg2 J30 | B. | 8 | 4 |
| Adjustment for related org. costs | -333,776 | equal to | -333,776 | 0 | O.K. | Pg5 Z18 | B. | 34 | 1 | Pg6 to Pg 6I Y4† | B. | 14 | 8 |
| Total loan balance | 6,505,000 | equal to | 6,505,000 | 0 | O.K. | Pg9 L34 | A. | 15 | 7 | Pg17 V13+V27.. | N/A | 29+39-41 | 2 |
| Real estate tax accrual | 426,000 | equal to | 426,000 | 0 | O.K. | Pg10 W15 | B. | 4 | N/A | Pg17 V17 | N/A | 32 | 2 |
| Land | 229,577 | equal to | 229,577 | 0 | O.K. | Pg11 T43 | A. | 3 | 4 | Pg17 K25 | N/A | 13 | 2 |
| Building cost | 6,901,412 | equal to | 6,901,412 | 0 | O.K. | Pg12 to 12I L43 | B. | 36 | 4 | Pg17 K26+K27 | N/A | 14 & 15 | 2 |
| Equipment and vehicle cost | 956,077 | equal to | 956,077 | 0 | O.K. | Pg13 Q22+L13 | C. & D. | 41 + 46 | 1 + 4 | Pg17 K28 | N/A | 16 | 2 |
| Accumulated depr. | 3,054,739 | equal to | 3,054,739 | 0 | O.K. | Pg13 Y30 | E. | 51 | 2 | Pg17 K29 | N/A | 17 | 2 |
| End of year equity | 1,598,029 | equal to | 1,598,029 | 0 | O.K. | Pg18 I33 | N/A | 24 | 1 | Pg17 S39 | N/A | 47 | 1 |
| Net income (loss) | 694,590 | equal to | 694,590 | 0 | O.K. | Pg18 I15 | N/A | 7 | 1 | Pg19 P30 | N/A | 43 | 2 |
| Unamortized deferred maint. cost | 539 | equal to | 539 | 0 | O.K. | Pg22 F31-J31..S | H. | 20 | 3 | Pg17 K30 | N/A | 18 | 2 |
| Balance Sheet | 3,720,493 | equal to | 3,720,493 | 0 | O.K. | Pg17:H41 | | 25 | 1 | Pg17 S41 | N/A | 48 | 1 |

| | Salaries | Supplies | Other | Total | Reclass- ifications | Reclassified Total | Adjusted Adjustmen | Adjusted Total |
|-------------|-----------|----------|-----------|-----------|------------------------|-----------------------|-----------------------|-------------------|
| 1. Dietary | 306,778 | 37,639 | 13,114 | 357,531 | 0 | 357,531 | 0 | 357,531 |
| 2. Food P | 0 | 285,355 | 0 | 285,355 | 0 | 285,355 | -12,253 | 273,102 |
| 3. Housek | 284,646 | 42,304 | 0 | 326,950 | 0 | 326,950 | 771 | 327,721 |
| 4. Laundry | 57,665 | 25,677 | 0 | 83,342 | 0 | 83,342 | -2,794 | 80,548 |
| 5. Heat ar | 0 | 0 | 195,604 | 195,604 | 0 | 195,604 | 4,117 | 199,721 |
| 6. Mainte | 79,403 | 0 | 116,854 | 196,257 | 0 | 196,257 | 1,747 | 198,004 |
| 7. Other (| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. Total G | 728,492 | 390,975 | 325,572 | 1,445,039 | 0 | 1,445,039 | -8,412 | 1,436,627 |
| 9. Medical | 0 | 0 | 24,000 | 24,000 | 0 | 24,000 | 0 | 24,000 |
| 10. Nursin | 3,511,501 | 264,223 | 28,807 | 3,804,531 | 0 | 3,804,531 | 0 | 3,804,531 |
| 10a. Ther | 0 | 0 | 645,128 | 645,128 | 0 | 645,128 | 0 | 645,128 |
| 11. Activi | 196,442 | 19,193 | 3,384 | 219,019 | 0 | 219,019 | 0 | 219,019 |
| 12. Social | 77,225 | 0 | 2,711 | 79,936 | 0 | 79,936 | 0 | 79,936 |
| 13. Nurse | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Progr | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16. Total I | 3,785,168 | 283,416 | 704,030 | 4,772,614 | 0 | 4,772,614 | 0 | 4,772,614 |
| 17. Admin | 200,171 | 0 | 425,425 | 625,596 | 0 | 625,596 | -425,425 | 200,171 |
| 18. Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. Profes | 0 | 0 | 74,036 | 74,036 | 0 | 74,036 | -12,155 | 61,881 |
| 20. Fees, | 0 | 0 | 33,679 | 33,679 | 0 | 33,679 | 2,049 | 35,728 |
| 21. Cleric | 440,616 | 0 | 76,160 | 516,776 | 0 | 516,776 | 16,808 | 533,584 |
| 22. Emplo | 0 | 0 | 669,642 | 669,642 | 0 | 669,642 | 72,440 | 742,082 |
| 23. Inserv | 0 | 0 | 1,043 | 1,043 | 0 | 1,043 | 0 | 1,043 |
| 24. Travel | 0 | 0 | 2,858 | 2,858 | 0 | 2,858 | 3,232 | 6,090 |
| 25. Other | 0 | 0 | 64 | 64 | 0 | 64 | 10,600 | 10,664 |
| 26. Insura | 0 | 0 | 213,158 | 213,158 | 0 | 213,158 | 3,522 | 216,680 |
| 27. Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 28. Total C | 640,787 | 0 | 1,496,065 | 2,136,852 | 0 | 2,136,852 | -328,929 | 1,807,923 |
| 29. Total C | 5,154,447 | 674,391 | 2,525,667 | 8,354,505 | 0 | 8,354,505 | -337,341 | 8,017,164 |
| 30. Depre | 0 | 0 | 69,541 | 69,541 | 0 | 69,541 | 197,912 | 267,453 |
| 31. Amort | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 32. Intere | 0 | 0 | 6,182 | 6,182 | 0 | 6,182 | 326,191 | 332,373 |
| 33. Real E | 0 | 0 | 0 | 0 | 0 | 0 | 402,091 | 402,091 |
| 34. Rent - | 0 | 0 | 1,595,968 | 1,595,968 | 0 | 1,595,968 | ##### | 0 |
| 35. Rent - | 0 | 0 | 7,640 | 7,640 | 0 | 7,640 | 4,868 | 12,508 |
| 36. Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 37. Total C | 0 | 0 | 1,679,331 | 1,679,331 | 0 | 1,679,331 | -664,906 | 1,014,425 |
| 38. Medic | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 39. Ancill | 0 | 139,298 | 37,083 | 176,381 | 0 | 176,381 | 0 | 176,381 |
| 40. Barbe | 0 | 0 | 23,403 | 23,403 | 0 | 23,403 | 0 | 23,403 |
| 41. Coffee | 0 | 0 | 14,700 | 14,700 | 0 | 14,700 | 0 | 14,700 |
| 42. Provid | 0 | 0 | 122,640 | 122,640 | 0 | 122,640 | 0 | 122,640 |
| 43. Other | 0 | 0 | -101,991 | -101,991 | 0 | -101,991 | 101,991 | 0 |
| 44. Total S | 0 | 139,298 | 95,835 | 235,133 | 0 | 235,133 | 101,991 | 337,124 |
| 45. Grand | 5,154,447 | 813,689 | 4,300,833 | ##### | 0 | ##### | -900,256 | 9,368,713 |

| | After | |
|-----------------------------|-----------|---------------|
| | Operating | Consolidation |
| General Service Cost Center | | |
| 1. Cash on | 518,378 | 523,943 |
| 2. Cash - F | 0 | 0 |
| 3. Account | 2,287,738 | 2,287,738 |
| 4. Supply I | 0 | 0 |
| 5. Short-T | 0 | 0 |
| 6. Prepaid | 75,566 | 75,566 |
| 7. Other Pi | 0 | 0 |
| 8. Account | 47,804 | 46,442 |
| 9. Other (s | 0 | 0 |
| 10. Total c | 2,929,486 | 2,933,689 |
| LONG TERM ASSETS | | |
| 11. Long-T | 0 | 0 |
| 12. Long-T | 33,011 | 33,011 |
| 13. Land | 0 | 229,577 |
| 14. Buildin | 0 | 5,865,346 |
| 15. Lease | 721,826 | 1,036,066 |
| 16. Equipn | 284,439 | 956,077 |
| 17. Accum | -248,269 | -3,054,739 |
| 18. Deferre | 0 | 539 |
| 19. Organi | 0 | 0 |
| 20. Accum | 0 | 0 |
| 21. Restric | 0 | 0 |
| 22. Other I | 0 | 0 |
| 23. other (: | 0 | 161,619 |
| 24. Total L | 791,007 | 5,227,496 |
| 25. Total A | 3,720,493 | 8,161,185 |
| CURRENT LIABILITIES | | |
| 26. Accour | 322,069 | 322,069 |
| 27. Officer | 0 | 0 |
| 28. Accour | 617,310 | 617,310 |
| 29. Short-T | 500,000 | 500,000 |
| 30. Accrue | 330,512 | 330,512 |
| 31. Accrue | 2,635 | 2,635 |
| 32. Accrue | 0 | 426,000 |
| 33. Accrue | 0 | 48,358 |
| 34. Deferre | 0 | 0 |
| 35. Federa | 0 | 0 |
| 36. Other (| 349,938 | 99,799 |
| 37. Other (| 0 | 0 |
| 38. Total C | 2,122,464 | 2,346,683 |
| LONG TERM LIABILITES | | |
| 39. Long-T | 0 | 0 |
| 40. Mortga | 0 | 6,005,000 |
| 41. Bonds I | 0 | 0 |
| 42. Deferre | 0 | 0 |
| 43. Other L | 0 | 621,494 |
| 44. Other L | 0 | 0 |
| 45. Total L | 0 | 6,626,494 |
| 46. Total Li | 2,122,464 | 8,973,177 |
| 47. Total E | 1,598,029 | -811,992 |
| 48. Total Li | 3,720,493 | 8,161,185 |

Balance per
Medicaid
Trial Balance

1. Gross F #####
2. Discour -411,165

Subtota 9,649,534
4. Day Ca 0
5. Other C 0
6. Therapy 1,045,732
7. Oxygen 1,764

Subtota 1,047,496
9. Paymer 0
10. Other 0
11. Nurse 0
12. Gift an 19,051
13. Barber 28,419
14. Non-P 393
15. Teleph 32
16. Rental 0
17. Sale o 159,309
18. Sale o 0
19. Labor 15,414
20. Radiol 3,140
21. Other 28,021
22. Laund 2,794

Subtot 256,573
24. Contril 0
25. Interest 1,330

Subtot 1,330
27. Other 8,626
28. Other 0
Subtot 8,626

30. Total F #####
31. Gener 1,445,039
32. Health 4,772,614
33. Gener 2,136,852
34. Owner 1,679,331
35. Specie 112,493
35. Provid 122,640
37. Other 0
40. Total E #####
41. Incom 694,590
42. Incom 0
43. Net In 694,590

Page

1

2

3

4

5

6

7

8

9 Line 16 for mortgage insurance.

10

11

12

13

14

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22

23